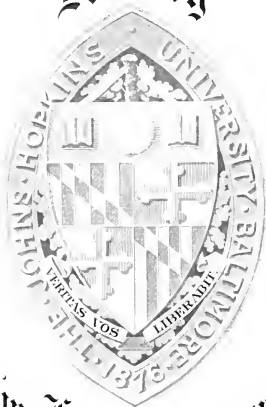
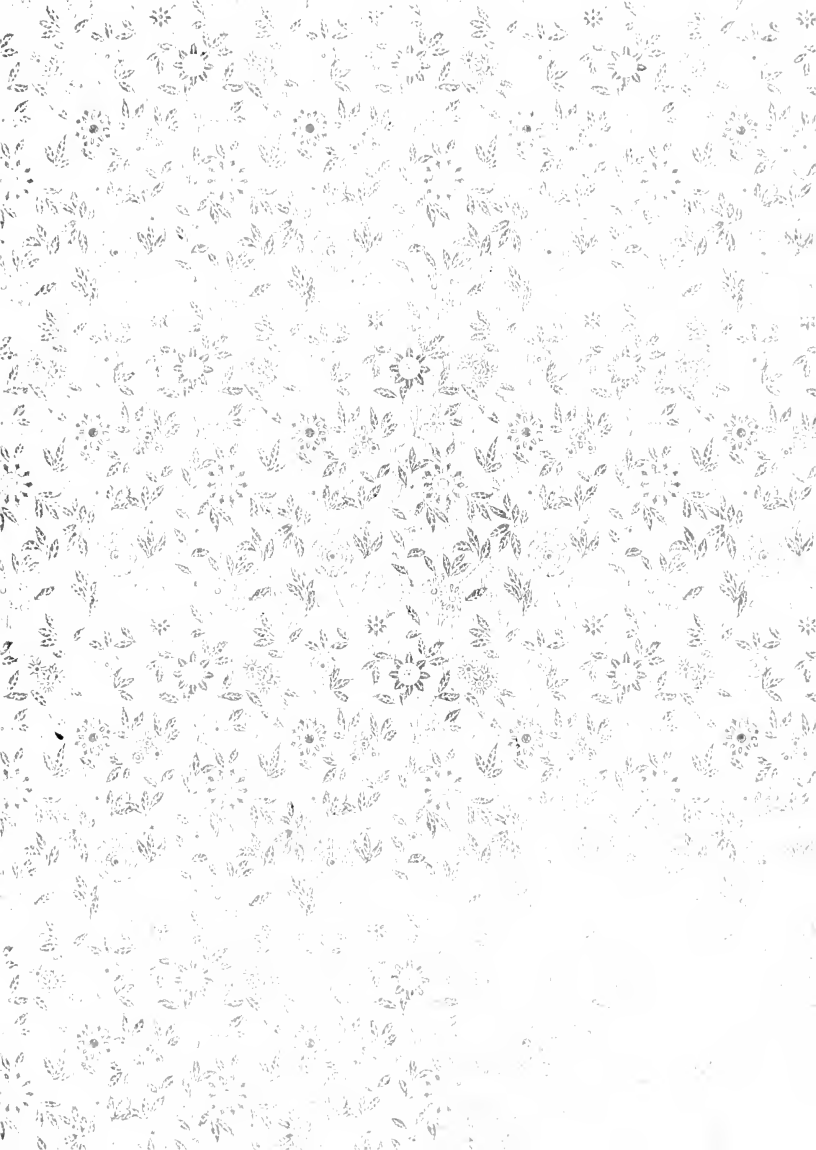


Library



Johns Hopkins University



History of Taxation

in

Rhode Island

to the year 1790.

By

Henry B. Gardner.

*A dissertation presented
to the Board of University
Studies of the Johns Hopkins
University for the degree of
Doctor of Philosophy*

1890.

Contents.

Introduction	Page 1
Taxation in Rhode Island 1636 - 1689	4
The law and administration	16
Taxation 1689 - 1710	25
The law and administration	32
Miscellaneous revenues	37
Period of paper money 1710 - 1751	38
Financial history 1751 - 1790	46
The law of taxation since 1710	63
Colonial and state valuations	69
Customs and excise duties	82
Tonnage duties	89.
Notes	91.

Introduction.

That method of raising revenue for the support of government which we understand by taxation marks a well advanced stage of economic life and is of comparatively recent origin among Germanic peoples. It was unknown while our English ancestors lived upon the continent of Europe and for many centuries after they had settled in their new home Society, and, as a consequence, government had not as yet become differentiated. Some of the most important duties, such as the defence of the kingdom, the care of the bridges and ports, were performed by personal service on the part of the people. Other duties incumbent upon the modern state, those which require the greatest expenditure, had not arisen. The private and public revenues of the king were not as yet distinguished. The revenue of his private estates afforded him a considerable income and, in addition, he enjoyed the usufruct of the folklond. The growth of the feudal system gave rise to various other sources of income, and besides these there were payments for special privileges such as markets. The king also enjoyed rights such as that of carriage and purveyance, for example.

Taxation as we conceive it formed no part of the system. "Only in a condition of the deepest degradation, and under Athelstan the Unready, could the national assembly be induced

to levy a tribute upon the country to buy off the horde of Danish pirates." (1)
Taxation developed rapidly after the Norman conquest, but as late as the reign of James I out of a total revenue of about £450,000, £180,000 came from dues on feudal tenures, and the crown lands, rented at much below their real value, yielded £32,000. (2)

Feudal dues remained an important source of revenue until the time of Charles II. All through the early period "the taxes voted were 'aids' and 'subsidies'; something to help the king make out his income, as it were. Systematic taxation as a right - nay, as a duty owed by the citizen to the State - was an idea entertained with the utmost reluctance." (3)
Even after national taxation had become established the local bodies continued to depend on personal service (or payments in kind) to fulfil their military, police, or judicial functions. It was the apportionment among individuals of fines incurred by the various local divisions for the neglect of these duties which first gave rise to the county rate, the hundred rate, and the tithing rate or town levy. From the Tudor legislation of the Sixteenth and early Seventeenth centuries local taxation received a definite form and character. The poor law of 43 Elizabeth which established the parish poor rate became the basis of the system. To this rate all others tended to conform. In (4)

early New England the conditions were much the same in regard to taxation as in early England. The functions of government were few and simple and often easiest fulfilled by personal service on the part of the citizens. This was the case with respect to the maintenance of the roads, and with military service. The army was the folk under arms. The duties of public officers, whether of town or colony, could not have been burdensome and in many cases acceptance of office was looked upon as a duty to be performed without, or with small recompense, refusal being accompanied by a fine. A considerable portion of public services such as those of the executive officers of the courts (and even of the judicial officers) were naturally recompensed by fees. Pauperism the great burden of the older country was hardly possible where land was abundant and labor scarce.

with added force

What has been said of New England in general applies to Rhode Island, for here the political body concerned itself as a rule with neither religion nor education.(5) Taxation was regarded for a long time not as the principal means for meeting ordinary expenditures but as something irregular and supplementary.

Taxation in Rhode Island. 1636 - 1639.

The towns before the Union.

Unlike Massachusetts the towns in Rhode Island remained the supreme authority under the king for some years before any central government was established by charter. (6). The first delegated government established in Providence was in 1640. (7). It was of the simplest nature. Five men were to be elected quarterly, who, subject to the control of the town meeting, were to have the disposal of lands and of the "townes stocke." Disputes between citizens were to be settled by arbitrators appointed either by the parties to the dispute, or by the five "disposers," payment for their time spent to be made by the "faultive" party.

Provision was also made for a clerk who was to receive 4 d. for each cause that came to the town for trial and 12 d. for each de d prepared. All the inhabitants were to join in the pursuit of a fugitive from justice.

The "townes stocke" was probably derived from fines and payments for land by the new comers, (8) as there is no mention of taxation. At the time of the union of the towns in 1647 the delegates from Providence to the general court, which was to organize the colonial government, were instructed to secure to the town the reservation of certain rights in the management of

their own affairs, but neither in these instructions nor in the charter of very full powers afterwards granted to the town is there any direct reference to taxation. In Portsmouth and

Newport the delegated power was in the hands of a judge and elders. These towns probably depended on much the same sources of revenue as did Providence; fines, fees, and payments for land.(9)The political development however was more rapid on the island than on the mainland and we early find in Portsmouth

traces of taxation as well as of comparative advancement in financial affairs. (10)

The records of the first year of the Newport settlement show that their financial transactions were of importance and that certain officers, as the secretary and ser-

geant, received considerable payments from the town. (11) There is no record of the amount charged for land, nor any mention of taxes, though it is not improbable that they existed in some form, as the settlers in their first compact engage "to bear equal charges answerable to our strength and estates in common." (12).

In 1640 Newport and Portsmouth came together under a common government, each town retaining however its own organization, and the control of its own affairs. The general officers were a governor, a deputy governor, four assistants, two treasurers, two constables, a secretary, and a sergeant. The magistrates (governor, deputy governor, and assistants) fulfilled judicial as well as executive functions. The only reference to the pay-

ment of officers is a provision in 1641 that the secretary should have 6s. per day for his attendance upon the various courts. In the following year this salary is taken away and it is ordered that both the secretary and the sergeant be paid by fees. (13)

The common expenses were met by drafts on the town treasurers. The financial transactions of the united towns were
(14)
considerable in amount, and there are several special taxes of interest. It was ordered in 1646 that the treasury of each town be always supplied with two barrels of gunpowder and with bullets and match. Every man who killed a deer outside of his own property was required to bring in one half to the treasury under penalty of forty shillings. Thus the town derived a revenue from the use of the public domains. In 1642 a bounty of five pounds was offered on wolves, to pay which it was provided that a rate should be levied on every man according to his
(15)
cattle; the idea of a direct relation between the tax and the service rendered. Bounties of this kind must have been one of the principal sources of expense to the early settlers. On wolves they were sometimes as high as £5, at other times not more than 30s., while the rate on foxes was 6s. 6d.

The above seems to be substantially all that remains of the financial records of the early towns. We find in them the

conditions already noted; few needs, abundance of land, for sharing which they could demand a payment of all new covers, payment by fees or, if a tax was necessary, perhaps by a tax on a particular class, as in the case of the bounty on wolves. Fines, too, probably formed a not inconsiderable source of revenue, for the home of religious freedom seems to have been to some extent the home of those who desired freedom from the law as well. When a general tax for the common good was levied the "estate and strength" of each must have been a matter of common knowledge impossible of concealment. It should be noted also that neither at this time nor much later under the charter government was the business of the treasury managed with that exactness which we find to-day. Receipts were very often far behind expenses and bills were frequently allowed to remain unpaid until the money happened to be in the treasury.

The four towns first organized under a common government in 1647 by virtue of what is known as the Patent, procured through the efforts of Roger Williams in March 1643-4. Under this government the colony remained, with the exception of an interruption lasting from the spring of 1651 to August 1654, until it reorganized under the charter of 1663 which remained the fundamental law of the colony and state for one hundred and eighty years.

The general officers under the Patent were a president and four assistants, a general recorder, a treasurer, and a general sergeant. There was also a committee composed of six
(17)
representatives from each town. A general attorney and a solicitor were added in 1650.
(18)
Under the charter of 1663 the president was replaced by a governor and deputy governor, the number of assistants was increased to ten, and, instead of the committee of six from each town, provision was made for six deputies from Newport, four each from Providence Portsmouth, and Warwick, and two each from all other towns that might come into existence. The other general officers remained the same as before. Under both governments the magistrates (president, or governor and deputy governor, and assistants) performed judicial functions. (19)

Public service was considered as a duty the fulfilment
(20)
of which was enforced by law while payment, except where the method of fees was available, was either not given at all or was but daily wages for the time actually employed in the service. Payment for service in the general assembly or the court of trials did not exceed three shillings a day, with a much heavier
(21)
fine for non-attendance. In addition to this a law of 1679 provided that diet and lodging should be furnished those in attendance, the expense to be met out of the fines and forfeit-

7
tures coming into the general treasury.

The services of the recorder, sergeant, and general attorney were compensated by fees, though the first two seem also to have had daily wages for their time employed, and their payment was among the chief sources of expense at this early period. (22) The general treasurer enjoyed a percentage, sometimes as high as ten per cent, on the amount of his transactions. (23)

The care of the highways and the poor was given over to the towns. (24) It is evident that the expenses of such a government could not have been great.

So small were the financial operations during the earlier years that the general treasurer "returned his accompte into the court for the year 1649, that he (had) received nothing as Treasurer and therefore have nothing in his hands," (25) and Gregory Dexter, town clerk of Providence, could write to Sir Henry Vane "Sir we have not known what an excise means. We have almost forgotten what tythes are; yea, or taxes, either to church or commonweale." (26). In fact for many years fines and forfeitures seem to have been the chief reliance for defraying ordinary general expenses and they continued to form a principal element of the receipts until the end of the century. (27). Taxation however could not be entirely avoided. It was necessary to place the colony in a position capable of defence and

in 1650 each town was ordered to have in its magazine a certain quantity of arms and ammunition, the amount assigned to each town to be equally laid upon the inhabitants of the council thereof "according to each man's strength and estate." Taxes (28) were also levied to pay for powder and shot sent over from England. (29) Prisons were necessary and in 1655 the towns were ordered to build two prisons, two cages, and two pairs of stocks, one of each on the mainland and one on the island at a total cost of £135. (30) Later court houses and a state house were required, but on the whole taxation to meet ordinary expenses remained almost ludicrously small until long after Rhode Island had become a state. The exercise of the taxing power was reserved for special occasions. The most important of these was war; next came the support of an agent in England. Wars which required the employment of a paid soldiery did not begin until the end of the Seventeenth century; agents in England to look after colonial interests were a necessity from the very beginning of the colonies and lasted until the colonies became states. Particularly was this the case in Rhode Island, small in population and territory, its jurisdiction attacked on every side by the claims of more powerful neighbors, with a charter (31) containing grants of such unusual freedom that it was a constant target for those opposed to colonial self government.

One of the acts of the first general assembly under the Patent in 1647 was to assess upon the towns a tax of £100 to pay Roger Williams for his exertions in procuring that document more than (32) three years before. Williams in company with John Clarke again went to England to secure the repeal of Coddington's commission. The former returned on the accomplishment of his mission but Clarke remained and cared for the interests of the colony, and it was in connection with his efforts to secure the charter of 1663 that taxation on any considerable scale began. The following table will show the taxes levied from 1663 to the fall of the Andros government in the spring of 1689. Those taxes marked with a star were levied under the Andros régime.

<u>Date of Ass'm't.</u>	<u>Amount.</u>	<u>Purpose.</u>	<u>Payment may be made in.</u>
(33) June 1662	£288 "in silver pay"	Agent.	"beefe, porke pease, and wheat, at such prices as it then cometh to the merchants as moneye pay;"
(34) Oct. 1662	£100	Agent.	"goods" to be priced by men chosen for the purpose,

<u>Date of Ass'tment.</u>	<u>Amount.</u>	<u>Purpose.</u>	<u>Payment may be made in.</u>
Oct. 1663.	£100 "in current bills."	Agent	
(35) Oct. 1664.	£600	Agent and others to whom the colony is indebted;	wheat, peas, pork, lard, cattle, or any sort of provisions "according to the usual rate that it doth pass at amongst us".
(36) June, 1670.	£300 "in pay current of this Colony"	Agent. Seems to have been diverted to general purposes.	pork, peas, wheat. Indian corn, oats, wool, butter or such other pay as the General treasurer may accept.
(37. Oct. 1673.	A farthing in the pound.	"payment of the collonys now knowne debts."	See general tax law p.
(38) Nov. 1678.	£300 sterling.	paying the colony's debts.	money, pork, beef, peas, Indian corn, barley, barley malt, sheeps' wool or better at stated prices.

<u>Date of Ass'm't.</u>	<u>Amount.</u>	<u>Purpose.</u>	<u>Payment may be made in</u>
(39) July, 1678.	£60 sterling.	to repay disbursements in England on the colony's account.	money or pay equivalent.
(40) May, 1680.	£100	payment of the colony's debts and supplying the treasury.	
(41) Oct. 1684.	£160 "in or as New England money."	to discharge colony's debts.	
* 42) Jan. 1686 - 7.	A penny in the pound; poll tax 1 s., 8 d.	general expenses of the Andros government.	
* Aug. 1687.	A penny in the pound; poll tax 1 s. 8 d.	General expenses of the Andros government.	
* Dec. 1687.	£160.	Building two court houses, repairing the prison and paying the debts of the province.	money, wool, butter, Indian corn, rye or pork at stated prices.

<u>Date of Ass'm't.</u>	<u>Amount.</u>	<u>Purpose.</u>	<u>Payment may be made in</u>
March, 1687-8.	£55-6 s. 8 d.	Bounties on wolves.	same as lost.
(43) Aug. 1688.	A penny in the pound; poll tax 1 s. 8 d.	general expenses of the Anabos government.	

The requirements of the militia-service, which at this time supplied the whole military power of the colony, should also be taken into consideration. Militia systems had been established in the towns before their union under one government. The law of the island towns appointed eight training days a year for each town with two general musters. A fine of five shillings was imposed for non-appearance, and all men remaining on the island for twenty days were liable to the service. (44) The first assembly under the Patent enacted substantially this same law for the whole colony (45) and it remained essentially unchanged throughout the period of which we are treating. The limits of age were fixed at sixteen and sixty years. The only exemption from service were on account of "age, monie, sickness, lawness, or publique burringe of office at that time

in the colony." (46). In 1660, the number of training days was reduced to six and the fine for non-attendance was gradually lowered to two shillings. Those who were able seem to have been required to provide themselves with arms and ammunition, but in case of inability they might be furnished by the town council by means of rates or from the proceeds of military fines. (47). The military requirement acted to a certain extent as a poll tax, but the relations of the colony with the surrounding Indians was for the most part friendly; the need of strict military discipline does not seem to have been felt and various references in the laws themselves tend to show that military regulations were not strictly observed unless under the influence of some pressing emergency when special laws requiring their enforcement were passed; so that the military system seems in general to have been but little of a burden.

It is evident that on the whole taxation during this period was light. The nominal amount of taxes of all kinds levied between 1647 and 1689 was not much over £3600 or about £84 a year. Nearly £1100 of this amount was levied between June 1662 and October 1664 to meet the expenses of procuring the charter. It was levied for the most part in "current pay" and the sterling value, probably, did not exceed £600. The collection also was extended over several years. Some taxation ap-

appears to us extremely light and even though we make, as is necessary, a large allowance for the difference in economic conditions then and now, the burden does not appear excessive, while (50) if we look at the remaining years, taxation is almost insignificant; it amounted on the average to but a few cents per capita each year. In fact it was altogether too light to meet expenses. The colony seems always to have been in debt. In September 1673 the debts due from the treasury exceeded the debts due to it by £71 9s. 2d. Five years later the colony (51) was indebted for £437 3s. 10d. In 1684 the Assembly affirmed that the existence of the government is endangered for the want of funds in the treasury. In several instances money to meet public expenses was raised by contribution. In other cases the necessary amounts were advanced by individuals, to be repaid (52) when the money should come into the treasury. Though, judged by amount, taxation at this period was unimportant, yet it is here that we find the beginnings of a system which in theory at least endures at the present time. We turn therefore to a consideration of the law and administration of taxation.

Neither in the Patent nor in the Charter is there any specific grant of the power to tax; it seems to have been regarded as implied in the grant of government, and was always exercised by the highest legislative authority, under the Pat- (53)

ent at first by the body of freemen assembled in general court, and later by the court of commissioners, under the charter by the general assembly consisting of the deputies and magistrates, at first sitting as one body and later as two distinct houses. (56)

The legislature apportioned the tax among the separate towns and required each town to collect and pay into the colony treasury its quota by the time specified in the act ordering the tax, the towns employing their own administrative machinery for the purpose. (56)

Perhaps the system is best summed up in a law passed in 1655. "It is ordered, that ye raisinge of Generall Taxes shall be ordered by ye Generall Court of Commissioners, as they shall see cause from time to time as to ye sumes, and how they shall be proportioned on each Towne; as alsoe, who in each Towne shall have power to make ye rates, and who are to give forth warrants for ye gatheringe of them; as alsoe in case of any refusinge to pay, to order assistance to him or them that are authorized to give warrants, or to gather ye rates as need shall require." (57)

In the case of the tax levied for the payment of Roger Williams it was ordered in 1650 "that the councill of ech Towne be enjoyned forthwith to proportion Mr. Williams that debt and other summes apoynted thereto, according to every mans strength and state;" and for a while the town council seem to have acted as assessors. (58)

Just when the duty of assessment

began to be assigned to separate officers we do not know, probably very early. (59)

Collectors did not come until well into the next century, their functions being exercised by the town constable or sergeant. (60)

During these early years custom rather than law seems to have been the regulating power, and it doubtless left much to be desired. An attempt to remedy these shortcomings was made in 1673 when what may fairly be called the first tax law was passed. (61)

It throws much light on existing conditions. The preamble recites "the great dissatisfaction and irregularity that hath been by makeinge rates or raising a common stock for public Charges in the Collony in general or for any perticuler towne, and the great faileableness to accomplish it, and great delays in performance," and affirms that public charges "should be born according to eq^l & v^l in estate and strength." (62)

The law then provides that when a rate is levied by the colony or a town every one shall "make a true valluation of theire estate and strength, every thinge that is any estate to them be vallued, which they are not rated for to another place; and when for a perticuler towne rate, what they are not rated to another towne." Each person is to pay "to the Treasury to whom it doth belong" a certain amount upon the pound of valuation as the assembly may order. Payment may be made in "anything that is rateable, and it shall not be re-

fused at the price as by two indifferent men valued." If any do not rate themselves "the Generall Assembly may appoint men to guess at their estate, and rate them as they should have done themselves, and according to double the proportion for forbearance."

"If the Assembly judge any have under valued their estates, such shall be required to give into the Treasurer a true forme of an inventory of all their estate and strength in pertickular, and give in writeinge what proportion of estate and strength in pertickular is supposed to be of his neighbours, naminge them in pertickular, hath in estate and strength to his estate and strength." If they do not comply they are to be rated as those who have not rated themselves at all; "or if it be proved that there is more due from any than they have rated themselves, they are to pay double as much therefor (and for the forbearance), as for it they should have rated themselves." These latter provisions of the law clearly show the fact which would render it possible to successfully carry out such a system at that time. Each man could know the property of his neighbor almost as well as his own property and it was not for his interest to bear any burden which should properly fall upon another.

As a matter of fact taxes were seldom levied at so much on the pound, but a definite amount was ordered, to be appor-

tioned among the rate payers. This law provides for assessors only in case individuals neglect to rate themselves, and makes no mention of collectors. The custom, however as has been said was for the towns to appoint assessors whenever a tax was to be levied and to entrust its collection to the constables or sergeants. There were however many exceptions.

government

The central government was comparatively weak. Towns very often paid no attention to the orders of the assembly and it became necessary to resort to special means to assess and collect the tax. Town machinery was overridden. The magistrates were (66) empowered to call town meetings to assess the rate or the assembly appointed a committee for the purpose. The general or colony sergeant was required to collect the tax after the assessment had been made. (67)

The troubles in connection with the collection of rates seem to have culminated in the spring of 1872, when what is known as the "sedition act" was passed. (68) This act after reciting the dangers arising from the opposition to the collection of rates provides that "if any person or persons in any town or place within this jurisdiction, shall at any time more especially in any town meeting or other public assembly of people, appear by word or act, in opposition to such rates and impositions," made by the assembly or in opposition to any act of the assembly, made in accordance with the

charter, such person shall be "proceeded against as for high contempt and seditious," and on conviction shall suffer at the discretion of the justices, "corporall punishment by whipping, not exceeding thirty stripes, or imprisonment in the House of Correction, not exceeding twelve months; or else a fine or mulct, not exceeding twenty pounds." This act was passed in April.

In the following month the annual election occurred. Not a single deputy was reelected, and the same was true of the governor and six assistants. Political revolution was never more complete. The new assembly repealed every act of its predecessor. So strong was the reaction that in the following November a limitation was placed upon the assembly's power of taxation, by the provision "that noe tax nor rate from henceforth shall be made, layd or levied on the inhabitants of this Collony without the consent of the Deputys present pertaining to the whole Collony, as there must be a major part of the Assistants (by the Charter), nor any way bringe the Collony in debt by any meanes." The assembly does not seem to have recovered its former powers until 1679.(69)

With the establishment of the Andros government the assembly disappeared. The right of taxation throughout his whole jurisdiction belonged to Andros and his council; for local purposes it seems to have been delegated to a court of nine

This was which succeeded to the powers of both the Assembly and
 the Court of Trials. (71) So much an examination of legislative
 enactments shows us. We are fortunately enabled to fill out
 the picture to some extent from other sources. In Jan. 1678-9
 the freemen of Providence took action in regard to their quota
 of the colony tax assessed in the preceding October. A com-
 mittee of four was chosen "to draw aside a Little space of time,
 to consider together of the suitablist prices, Which is meet to
 be sett on (ya Esteem'd) Rateable Estate of ye Inhabitants of
 this Towne, x x x for to be a helpe & preparation to ye Liev-
 iers." The rates of valuation agreed upon were as follows:

Meadow Land: One acar Improved, to be	
Vallued at	04-00-00
planting Land: One Acar Improved to be	
Vallued at -----	03-00-00
Vakant Land; & unimproved: 2 Acar to be	
Vallued at -----	00-03-00
An ox -----	04-00-00
4 or five yeare old steers -----	03-10-00
Cowes & three yeare old Cattle, To be	
Vallued at -----	03-00-00
two yeare old Cattle, To be Vallued at ----	01-10-00
Yearlings-Cattle - Each of them - To be at	01-00-00

three year old Horses, & horse kind -

To be Vallued at --- 02-00-00

two yeare old horse, & horse kinde To be

Vallued at --- 01-10-00

hogs, or swine, Each of them above a

yeare old --- 00-10-00

sheepe - above a yeare old - To be Vallued at 00-04-00"

"Ye Rate-makers" however "are not soe strictly tyed x x to ye Instructions of ye above sayd Committee, but yt they have a Libberty to Vary therefrom, as in their discrecescion shall seeme meet Unto them, x x x they having the sayd Instructions as a Line for some guide of their Judgement therein." Five men were then chosen to assess the rate. (72) At the meeting of the following March, it is ordered that notices be set up in public places stating that the rate is to be levied and requiring all inhabitants within fourteen days to bring in to the rate makers an account of "The quantity of their Land & Meadows Layd out to them, Improved & unimproved, As alsoe what Cattle of any Sort they have, otherwise none can justly be o'tained, if ye Raters only use what information they can get." When the rate makers have made up their lists of what each man is to pay they are to post them in public places and each tax payer is then to bring to the treasurer, at his dwelling, the sum for which he is

rated. The assessors completed their lists in July. The town clerk was ordered to prepare a copy of the list and deliver it to the town constables who should collect the rate. If any refused to pay application was to be made to a Justice of the Peace who should grant a warrant of distrain against the property of the defective person.

Among the manuscripts in the Rhode Island Historical Societies Cabinet in Providence are preserved several hundred of the lists of rateable estates returned to the assessors by individuals during the period of which we are now treating.

The following is "The Account of ye Rateable Estate of Jon. Whipple of providence:

First Sixe Cows, and one heifer; not 3 yeares old

Secondly 2 Oxen

3dly 3 Steeres of 3 yeares old

4ly one heifer; 2 yeares old

5ly 3 of one yeares old, one a steer; ye 2 heifers

6ly 3 horses

7ly one mare and colt, beside 3 more if not stolen or
alive or made bobtailes

8ly one house lott within Fence

9ly 2 shaires in ye great meadow where I mowe 4 lads
of hay

101y 4 Swine

11ly one yeare old horse colts"

John Whipple seems to have been blessed with more than the average amount of wealth in personal estate, but this list as do all the others clearly shows the character of the property which existed at the time. (73) But little if any property was owned beyond the limits of the town. Everything was tangible and could be concealed neither from the neighbors nor the assessors. It was not difficult to fix on a standard of valuation which should apply uniformly and fairly to all property owners. The method of taxation adopted was clearly the most suitable, indeed the only one suitable at all, for a community of farmers, where land was abundant, and where trade had not developed but each family produced for its own consumption.

Taxation 1689 - 1710.

With the restoration of the government in 1690, after the fall of Andros, Rhode Island enters upon a new period of her history, a period marked within by a stronger central authority and a more settled and orderly government. (74)

In 1695, the governor was granted a salary of

£10 a year, the deputy governor £6 and the assistants £4 each. (75)
All these officers had previously been exempted from taxation.
Without the period was one of successive wars against the
French and Spaniards, wars which required the support of a paid
soldiery and, for a colony situated as was Rhode Island with
her great extend of sea coast, the maintenance of strong defen-
ces against hostile ships. The charter was also endangered by
the attacks of the Narragansett proprietors, and later of Belle-
mont and Dudley, and this required considerable expenditures to
meet the expenses of the agent in England. The taxes and the
purposes for which they were levied during the remainder of the
period of which we are now treating can be seen in the follow-
ing table.

<u>Date of Ass'm't.</u>	<u>Amount.</u>	<u>Purpose.</u>	<u>Payment may be made in</u>
(76) May 1690	£300	"for the support of their Majesties' interest against the French and Indian enemies."	wool, butter, Indian corn, rye and pork.
July 1695	2d. in the pound.		Same as last.

<u>Date of Ass'tment.</u>	<u>Amount.</u>	<u>Purpose.</u>	<u>Payment to be made in</u>
Oct. 1693	1d. in the pound.	Agent, and if surplus, to pay the colony's debts.	
May 1696) July 1696)	2d. in the pound.		
Aug. 1698	£500	"pay the Colony's debts, and putting monies in bank, for sending an agent for England."	
Oct. 1699	£600	"for sending agent for England"	
March 1700/1	£400 "current money of this Colony"	"for paying the Colony's debts and defraying of the publick Charge."	
March 1701/2	£200 "in money"	"for the use and benefit" of the colony according to the direction of the governor and council.	

<u>Date of Ass'm't.</u>	<u>Amount.</u>	<u>Purpose.</u>	<u>Payment may be made in;</u>
May 1702	£300 "in money or good pay equivalent."	Same as last.	Money, indian corn, oats, barley, rye.
Feb. 1702/3	£500	£200 for fort £150 " jail £150 " debts	money indian corn, barley, wheat, rye, oats, wool.
Jan. 1703/4	£500	"for the support of the government."	"money or pay equivalent, according to the Collony's acts heretofore made."
May 1704	£700 in "money or pay equivalent."		money, wool, Indian corn, barley, oats, rice, wheat.
Feb. 1704/5	£500 in "current money of New England in pay in like species as the last £700 rate."	"for defraying the Collony's debts."	See "Amount."
June 1705	£500, same as last	Same as last	Same as last.
Aug. 1705	£1000, same as last	£500 for agent; remainder not specified.	Same as last.

<u>Date of Ass'm't.</u>	<u>Amount.</u>	<u>Purpose.</u>	<u>Payment may be made by;</u>
May 1706	£700	£400 for feet £100 for magazine, £200 for debts.	Same as last.
July 1706	£300		Same as last.
Feb. 1706/7	£500	£400 for the expenses of a cruise, £100 for debts.	
May 1707	£1500		
Feb. 1707/8	£500		
Aug. 1708	£800 "in money, or specie answerable at the usual rates."	£100 for colony house, £100 for agent, remainder for debts and general expenses.	Indian corn, barley, rye, oats, wool, wheat.
March 1708/9	£500 Same as last.		Same as last.
May 1709	£1000, same as last.		Same as last.
Apr. 1709	£1000	for debts.	

<u>Date of Ass'tmt.</u>	<u>Amount.</u>	<u>Purpose.</u>	<u>Payment m'd. be made in;</u>
Feb. 1709, 10	£1200		same as last.

There were two wars against the French during this period; "King William's War" from 1689-1697, and "Queen Anne's War" from 1702-1713. In the first Rhode Island took little part. She sent no men to aid the other colonies but confined herself to strengthening her own defences and repelling the French privateers which occasionally appeared in her waters, particularly off Block Island. The same is true of the early years of the Second War, although in this case the danger was greater and really considerable amounts were expended in putting the colony in a condition of defence, especially in strengthening and supplying the fort at Newport. A regular garrison was maintained at Block Island. The colony took part in the expedition against Port Royal in 1707, and in 1709 sent to Boston and maintained for five months two hundred men to assist in the proposed expedition against Canada which did not take place. The useless expenditure necessitated by this failure fell heavily on the colony and when, in the following year, one hundred and fifty-five men were sent to take part in the expedition against Port Royal bills of credit were issued to meet the expense.

During the earlier years expense did not increase much and seem to have been principally for the completion of the colony house, begun under Andres, and for the expedition to repel the French from Block Island. (77) Beginning with 1695 there is a change. The payment of public officers becomes a considerable charge. The expenses of the Agent increase. Then comes the war expenditure, at first the maintenance of the fort and the Block Island garrison and then the expeditions against Canada. (78)

The receipts are now almost entirely from taxes, other sources having become comparatively insignificant with the increasing revenue. The burden of taxation showed a constant tendency to increase. The average annual tax from July 1695 to February 1709-10 was about £1000, from August 1698 to the same date over £1200, from January 1703-4 nearly £1900, from May 1706 £2300, from February 1707-8 £2500, and during the last year £3700 was raised. A census of the colony in December 1706 showed a total population of 7131 of whom 482 were servants, black and white. (79) This would show a great increase in the per capita taxation over the earlier period. During the last year the per capita rate was over half a pound. The taxes collected during this single year amounted to as much or more than all the taxes collected during the first forty years of the colonial government. There is no doubt that the burden

was a heavy one and, following the example of others, the colony sought relief in issues of paper money. With the adoption of this new source of revenue colonial taxation practically ceased and was revived only under the pressure of another and greater war thirty-five years later.

The law and administration.

With higher taxes the necessity of a system of taxation just and at the same time capable of strict enforcement, was more strongly felt. We consequently find from the very beginning of the period a great increase of legislation on the subject, so that by January 1703-4 there was placed on the statute book a body of law which contains the substance of our law to-day, and to which little was added, until, within recent years, the rapidly growing complexity of our industrial life has necessitated more careful and detailed enactments.

In the case of the very first tax after the Restoration Warwick complained of overrating, and the Assembly finding "that the manner of rating of towns by guess is no suitable nor certain rule, but may prove very prejudicial; x x determine that for the future, all rates that shall be made in the Colony, shall be made according to so much on the pound as the estates of persons are valued at." (81)

The three succeeding taxes were, in accordance with the resolution of 1690, percentage taxes and in connection with them we find much interesting legislation. A committee appointed 1695 to draw up a plan of assessment reported as follows, "We therefore propose this way be for the rating all lands and meadows and merchants, tradesmen and housings in this Colony; that every town shall yearly choose two or three able and honest men, to take the view of each of their inhabitants of their lands and meadows; and so to judge of the yearly profit at their wisdom and discretion; and so also of merchants and tradesmen; and to make this part of the rate according to the yearly profit; or as they, when they shall have had a more narrow inspection into the lands and meadows, shall see cause to set by the acre." The report was ordered to stand as an act by the

(82)
assembly. Persons who did not bring in an account of their estate were to be rated at the discretion of the assessors. In this assessment according to profit, particularly of tradesmen and merchants, we clearly see the influence of the commerce of the colony, which was just at this time beginning to develop. (83)
(84)
Here too we see the first idea of assessors annually elected. The penny in the pound rate of this year was levied in accordance with the same act, as was also the two penny rate of 1694. In 1694 percentage taxation was abandoned, not to be again re-

vived, and a return was made to the former custom of assessing a specified sum and apportioning it among the towns. An attempt however was made in the adoption of the most detailed law with which we have yet met, to avoid injustice in the assessment. In each town the assistants or two justices were to appoint two men to take account of rateable estate and of males between sixteen and sixty years of age, a return to be made to the assistants or justices, who were to call a town meeting to choose "three well qualified men " to assess each person's estate, in accordance with the account returned and the act of 1695, so as to raise the required sum. All male persons between sixteen and sixty years of age were required to pay a
 (85)
 poll tax of one shilling, Indians, negroes and impotent persons excepted, unless they were freemen or had set up a trade or
 (86)
 calling in the colony. Any person who should conceal any part of his estate from those appointed to take account was to forfeit one fourth of the amount concealed. Finally an account of the rateable estates was to be brought into the assembly, in order that if any town had been overproportioned the error might
 (87)
 be rectified. Though this act was not a general law it seems in its administrative features at least with some slight modifications to have been the basis of the tax system until January 1703-4 when was passed the act which as we have said, is

the foundation of the present law, so far as its administrative features are concerned. Its provisions were as follows:

Each town on its annual election day was to make choice of "three able, knowing men x x x for Assessors, or Rate-makers, to stand for the year ensuing, who shall be engaged as all other town officers; they, or the major part of them, in each town so chosen, to make and proportion all town rates, and likewise each town's part of all Colony rates;". Collection was to be made by the town constables who in case of neglect were to be responsible for the sums entrusted to them for collection. (89)

The act was amended from time to time as occasion required.

In May 1704 the provision was introduced requiring the rate makers before assessing a tax to give ten days notice to each person to bring in an account of his rateable estate, anyone failing to do so to have no redress for overrating.

The rate makers were also empowered to administer an oath to all offering an account of their estates. (90)

The system of percentage taxation having been abandoned by the assembly that body endeavored to obtain a satisfactory basis for the apportionment of taxes among the towns by ordering from time to time that each town should send into the assembly an exact estimate of its rateable estate. I have been able to find no trace of these early valuations. (91)

Looking at the period after 1695, there is a plainly marked progress both in legislation and administration. Before 1695, no well defined system of taxation had been established by general law, but it was customary for each act assessing a tax, or the amendments to it, to contain the rules for assessment and collection. A practically uniform system doubtless prevailed by custom, but it was not embodied in the law. After 1695, we meet with general laws upon the subject of taxation which gradually result in a recognized legal system. When a tax is ordered reference for the method of assessment and collection is generally made either to some former tax or to a general law, the latter being always the case after 1703 - 4.

The same progress is evident in the administration of the law. During the first few years great difficulties were often experienced, as in the earlier period, and it was frequently found necessary to override town machinery and place the appointment of the assessors and collectors of the tax in the hands of the officers of the central government. (92) As that government became more firmly established, however, the towns yielded more willing obedience and during the later years of which we are speaking the heavy taxes were collected with great promptness by means of the ordinary administrative machinery. The cost of assessment and collection at the time was great

amounting to seven or eight per cent. of the tax collected.

In addition to this there was frequently a loss resulting from the payment of taxes in kind, either because the articles had to be disposed of at price lower than that at which they had been received or because of injury suffered while in the treasury. (93)

Miscellaneous Revenues.

There still remain to be noticed one or two matters which have not fallen within the foregoing survey.

The first has to do with legislation in regard to traders who came into Rhode Island from other colonies, sold their goods and then returned remaining often but a short time. It was claimed that these traders carried off much ready money and produce to the detriment of the colony, at the same time escaping the burdens which fell upon the home trader. A law of 1698 levied a tax of five shillings on every ten pounds value of goods sold at retail by any trader who was not admitted an inhabitant of the colony. The tax on goods at wholesale was twenty shillings on one hundred pounds. This provision seems to have been aimed at foreign goods, as grain, provisions, and the produce of neighboring plantations were excepted from its operation. (94) In 1766 the tax on retailers was raised to five per cent. and in the following year all merchants remaining in (95)

the colony for a month were made liable to all rates and duties levied upon inhabitants. (96)

The second has to do with other sources of revenue, in addition to those already mentioned, enjoyed by the colony, more important for the principle which they exemplify than for the revenue which they yielded. In 1707 an act was passed provided for the survey of vacant lands in the Narragansett country. These lands were sold to settlers and the proceeds devoted to the Canada expedition. (97)

From the nature of the colony ferries had always been a matter of great importance. The assembly had occasionally interfered to regulate their management in the interest of the public, and in 1699 adopted the policy of leasing the ferries for a term of years on condition of an annual payment to be made into the general treasury. The receipts were small but the principle involved was an important one. (98)

Period of Paper Money, 1710 - 1751.

The history of paper money in Rhode Island has already been treated with considerable fullness. (99). It does not strictly fall within the scope of this monograph and will be treated only so far as to give a clear idea of the financial policy of the colony, an idea necessary to an understanding of the part

13 2
slaved by taxation.

According to the report on the state of the treasury in 1709; the year of the attempted expedition against Canada, notwithstanding the heavy taxation, the colony found itself in debt to the amount of £3830 - 15s. - 4d. To cover this deficit and meet the expenses of succeeding expeditions £15000 in bills of credit were issued during the years 1710 and 1711. These bills passed equal to silver at eight shillings per (100) ounce. By this means the colony succeeded in transferring the balance to the right side of the account.

During the years of peace which followed the peace of Utrecht annual expenses greatly diminished. Ordinary expenditure was considerably under one thousand pounds, extraordinary expenditure sometimes added as much again or even more to the (101) and account. With the growth of population, political and economic (102) development, and the depreciation of the currency, these sums gradually increased so that in 1731 a report made to the Board of Trade estimates the ordinary expenditure at two thousand pounds and the extraordinary at two thousand five hundred pounds. By 1739, when the Spanish war began the total of these two sums had increased to about six thousand pounds.

Notwithstanding the diminution of expenditure the colonists at the close of the war in 1713 were loth to take up

main the burden of taxation and for the next forty years the government supported itself almost entirely by means of bills of credit. The usual method of procedure was this. Bills of credit were issued and loaned at interest, for a term of years, to landholders on mortgage security to double the amount of the bills. These loans were termed "Banks." The following table shows the Banks issued before the Revolution, the number of years for which they were loaned, the rate of interest received and the value of the bills at the time of issue.

<u>No. of Bank.</u>	<u>Date.</u>	<u>Amount.</u>	<u>Years loaned</u>	<u>Rate of Interest.</u>	<u>Value of silver in bills.</u>
I	1715	£40,000	13	5	12s. per ounce.
II	1721	40,000	13	5	16s. per ounce.
III	1728	40,000	13	5	18s. per ounce.
IV	1731	60,000	10	5	22s. per ounce.
V	1733	100,000	10	5	25s. per ounce.
VI	1738 (103)	100,000	10	5	27s. per ounce.
VII	1740 (104)	20,000	10	4	6s. 9d. per ounce.
VIII	1746	40,000	10	4	6s. 9 d. per ounce.
IX	1750	25,000	10	5	6s. 9 d. per ounce.

27 /

At the expiration of the loans interest ceased and re-
payment was made in ten equal annual instalments. (105)
The amount
legally outstanding in January 1740-1 was £340,000, (sterling
(106)
value £88074 - 16s. 10 ³/₄d.) the actual amount was doubtless
(107)
greater, as we know that repayment was not always promptly made.
In addition to the Banks the General Assembly had from time to
time made direct issues of bills of credit. Before 1739, how-
ever, these issues were principally to replace worn and torn
bills and did not increase materially the circulation. Accord-
ing to a report made in October 1739 the amount issued up to
that time (including everything but the banks) was £117,001 -
15s. This sum had been offset by bills burnt to the amount
of £105,704 - 15s. 3d., leaving an increase of circulation due
to these issues of £11296 - 19s. 9d. Under the stress of war
which now began and continued for several years these issues
were largely increased. According to a report prepared in
February 1749/50, for transmission to the English government,
there was issued from September 1740 to February 1747 £200,000.
The committee sums up its report in regard to these bills as
follows: "At divers times, from the year 1710, to the year
1747, the colony has emitted bills of credit to the amount of
£312300, old tenor; and there hath been called in and burnt at
several times from the year 1728 to 1747, £170,934, 6s. 10d.;

and by the 1st settlement of the general treasurer's account, it appears that there was then in the public treasury, £24,891 10s. 10d. from all which it appears that there is now outstanding of the bills issued to supply the treasury, £110,444 2s. 5d.; the whole of which outstanding sum was issued in the years 1746 and 1747, and is equal to £10,040 7s. 5d. sterling." (108). The amount legally outstanding in bank money was £390,000 old tenor (£210,000 nominal) sterling value £35,444, 9s. 2d. The increased issues had depreciated the paper money so rapidly that its relation to sterling was now as 11 to 1. As in 1739, the actual amount outstanding the legal amount. By the aid of remittances from England for the reimbursement of war expenditures Massachusetts succeeding in sinking her paper bills. Rhode Island with much larger proportional issues failed to follow the same course:

Douglas in 1748 estimated the total amount of bills of all kinds outstanding at £550,000 old tenor and even this seems to have been an under rather than over estimate.

In 1751 came the ninth and last bank, of a nominal value of £25,000 equal to £237000 old tenor. The issue of this bank was the last victory of the paper money party. For many years a strong opposition had been developing. As early as 1731 a protest against the issue of the fourth bank, signed by

prominent citizens, had been sent to the king. Protests were also entered against the seventh and eighth banks and in 1750 another petition against paper money issues signed by seventy two persons, representing the merchants of Newport, the commercial centre of the colony, was presented to the king. In 1751 parliament passed an act which, supported by the growing sentiment in favor of better financial methods, may be said to mark the downfall of the paper money policy. The principal provisions of the act were that, after September 29, 1751, bills of credit could be issued only with the consent of the home-government, and that provision must be made for calling them in within two years in the case of issues to meet current expenses, and in five years in the case of emergencies such as war. The time of the bills already out was not to be extended, and no bills issued or to be issued were to be made a legal tender. It seems best to anticipate for a moment and trace to its end the history of the issues already made. First, as to the bills issued to supply the treasury. Of those which had been called in and burnt previous to 1749, £88725 had been sunk by means of grants made by parliament to reimburse the colonies for the expenses incurred in King George's War. In 1751 £24280 more were sunk in like manner. Between this date and 1785 £17308 were sunk from the proceeds of taxes leaving out-

In the year 1766 a Spanish milled dollar was worth 7 00 0

At the same time it was "enacted and declared, that lawful money of this colony is, and shall hereafter be silver and gold coin; and that nothing else shall be taken and understood to be lawful money of this Colony." Old tenor suffered a still farther depreciation, until in the tax act of February 1769 it was ordered that it be received at the rate of \$1 for £8. By act of September 1770, its circulation was forbidden after January 1, 1771. The rapid depreciation since the issues at the time of King George's War together with the return of Massachusetts to a specie currency at the end of the war seems to have been disastrous for Rhode Island commerce which was mostly with the West Indies. The disturbance was aggravated by the approaching war, and so numerous and mercantile failures became that a general insolvency act was passed in 1756.

Financial History 1751 - 1790.

Financial History 1751 - 1775.

During the French and Indian war paper money was issued in large quantities but provision was made for its redemption in accordance with the Act of Parliament in 1751, and an earnest attempt was made to meet the obligations thus incurred.

The period from 1751 to 1775 was really a period of war financiering, for the debt incurred for war purpose was not extinguished until the beginning of the Revolution, and we shall treat it as a whole.

The sources of revenue were loans, bills of credit, treasury notes, grants made by the English government, and taxes.

Loans.

These were usually advanced by private individuals. Unfortunately the accounts entered in the colony book by the auditing committees were not kept in such a manner as to enable us to determine with satisfactory certainty either the amounts borrowed or the times of repayment. The difficulty is the greater with regard to the latter point. So far as the books show the sums borrowed between 1751 and 1775, reduced to sterling, amounted to about £ 28,441, of which all but about £ 4,000 was borrowed during the six years 1755 - 1761.

Bills of Credit.

The history of the bills issued up to the 1751 we have already considered. It remains to describe the issues of the present war.

The first of these issues was in 1755 to meet the expenses of the Crown Point expedition. The bills were of the old tenor denomination, amounting to £240,000 equal to £13,500 sterling. They were to circulate two years without interest and then be called in and sunk. The subsequent issues were all in what were known as lawful money bills. They were issued at various times from 1756 to 1767, the total amount being £97,569 equal to £73,300 sterling. All but £6660 were issued on or before August 1762. £14,000 issued in 1756 were to run for two years and without interest. The other emissions were for five years with interest at 5%. The bills were declared equal to silver at 6s. 9d. per ounce.

Treasury Notes.

These were interest bearing notes issued to meet the bills of credit, bonds given for money borrowed or other treasury notes as they fell due, when receipts from other sources did not suffice for redemption. The practical effect was to work an extension of the debt. As shown by the treasury reports

223

these notes seem to have been issued for the most part between the years 1765 and 1775 and amounted to £46,549 lawful money equal £34,999 sterling. The greater part seem to have been redeemed at the outbreak of the Revolution.

Receipts from England.

These were grants made by the English government to reimburse the colony for expenses incurred in the war. These grants made throughout the course of the war amounted to about £50,000 sterling and there was received from the English commanders in this country about £4000 or £5000 more, making in round numbers £55,000.

Taxes.

We now come to the source of revenue which concerns us most nearly. A slight attempt to resume taxation had been made at the time of King George's war. A tax of £10,000 old tenor (£1677 sterling) had been ordered in 1744 and another of £5,000 new tenor (£2000 sterling) in 1747/8, but the paper money party was still in the ascendant and it was not until after the overthrow of that party that the policy of taxation was seriously resumed in 1754.

The following table will show the taxes levied from that date to the beginning of the Revolution, together with their

sterling values at the time the tax was ordered.

(o. t. = old tenor. l. m. = lawful money. The second
(second column contains the sterling values.)

1754	£35,000. (o. t.)	£2102
1755	70,000. (o. t.)	3710
1756	53,000. (o. t.)	2274
	4,000. (l. m.)	3008
1757	100,000. (o. t.)	3917
	150,000. (o. t.)	5875
	4,000. (l. m.)	3008
1758	6,000. (l. m.)	4512
	110,000. (o. t.)	4129
1759	11,000. (l. m.)	8271
1760	15,547. " "	11689
1761	16,000. " "	12030
1762	8,000. " "	6015
1763	12,000. " "	9023
1764	12,000. " "	9023
1765	12,469. " "	9375
1766	6,000. " "	4511
	75,000. (o. t.)	2252
1769	6,000. (l. m.)	4511
	93,638. (o. t.)	2638
1770	12,000. (l. m.)	9023

1771	£12,000. (1. m.)	£9023
1772	12,000. " "	9023
1773	4,000. " "	3008
1774	4,000. " "	3008

This would give an average annual taxation for the twenty-one years of £6,950 sterling or \$33,777. in our money, equal to about 70 cents per capita.

Taxation, however, varied greatly at different periods. For the eleven years 1756-1766 the average annual tax was \$43,707., about \$1.00 per capita; for the five years 1757-1761 it was \$51,935., equal to \$1.18 per capita. Taxation reached its height in 1760 and 1761 amounting to \$57,637. a year and \$1.28 per capita. By 1773 it had fallen off to \$14,619. a year, or a trifle less than 25 cents per capita. An estimate of the rateable property in 1762 gave a valuation of £26,105,423 old tenor, equal to about \$4,224,178. Using this as a basis the rate of taxation in 1760 and 1761 would have been about 1.36 per cent. on the value of rateable property. An estimate of 1769 gave a property valuation of \$7,706,449. (£2111356 lawful money). The rate of taxation in 1773 and 1774 was only .19 per cent. on this valuation. The average rate for the whole

period seems to have been about one half of one per cent. By far the greater part of this taxation was for war purposes. The regular expenses of colonial government do not seem to have exceeded \$7300. (£2000 lawful money) per annum, which towards the end of the period would amount to not more than 12 cents per capita, or one tenth of one per cent on valuation.

The above is a general outline of the financial operations of the period. The indebtedness of the colony at any particular date is difficult to determine. A committee in 1762 estimated that there were outstanding bills to the amount of about £53231 sterling. According to a report of a like committee in 1762 the amount was about £43000. In addition, however, the colony was considerably in debt for money hired. Whatever debt there was, however, seems to have been, for the most part, extinguished in the early years of the Revolution.

Financial History of the Revolution.

With the opening of the Revolution a new debt began to roll up. £60,000 in bills of credit (lawful money) were emitted in 1775 and £80,000 in the following year. A meeting of commissioners from the New England states, in Providence, December 1776, recommended that Rhode Island issue no more bills of credit, except of fractional denominations, but depend upon

loans and taxes. The State complied with the suggestion and the only other issue of bills, before 1780, was in May 1777, when £4,500 in fractional currency was emitted. These bills of credit, as well as the continental bills, were declared a legal tender. They seem to have kept their value fairly well until the beginning of the year 1777, when a rapid depreciation set in. In accordance with the recommendation of Congress they were called in by Act of May 1778, and their circulation forbidden after July first of that year. After this date continental money, probably, formed the main circulating medium, until depreciation had gone so far that in 1780 the tender laws were repealed and a return made to a gold and silver basis. Up to June, 1779, the colony seems to have borrowed £162,756. In addition there were, all through the war, issues of certificates in payment of various obligations. It is impossible even to approximate to their amount. They were in many cases made receivable for taxes and were redeemed in this way. Taxation was resumed in March 1777, and vigorously applied, but so heavy were the burdens which fell upon the State in its weakened condition that in the summer of 1780 the treasury was empty.

This led to the issue of £30,000 more in bills of credit. This was the last issue of paper money by the State during the war. A considerable portion of the debt had been re-

deemed by taxation. That part of the debt incurred during the paper money period, which still remained outstanding, was called in by several Acts of 1783 and scaled down to the basis of the special value at the time the obligation was incurred, for which amount the treasurer issued his notes, payable in lawful money (silver), in from three to six years, bearing interest at six per cent. The want of accurate accounts leaves us in doubt as to just what was the effect of this consolidation and reduction. A committee reporting in October 1783 places the state debt at £123,892-15-11, in addition to £19,932-2-0 of the state's proportion of the new continental emission (March 1780) outstanding.

The greater part of this latter sum, however, had never left the treasury. A report of a committee in March 1787 placed the debt at £153,047-15-7. In the mean time steps had already been taken for its extinguishment.

In the years succeeding the war the colony was in a wretched economic condition. It was exhausted by the heavy financial and other burdens, the disturbance to industry, and the loss that had resulted from a long continued and destructive occupation of the commercial centres of the state by the British, as well as by the presence of the American army which had to be clothed and fed. Trade was interrupted, a large por-

tion of the able bodied men had entered the army, and even those who remained at home were liable to be called upon at any moment for temporary service, or to have their property taken at an appraised valuation. Services rendered to the state were paid for only by promises of constantly decreasing value. As a result of all these causes economic society was disorganized. In the midst of such conditions the state was called upon to face a heavy debt. The treasury was completely exhausted and the people seemed unwilling to submit to further taxation. The legislature again turned to paper money for relief, and in May 1786 ordered the issue of the tenth bank. The amount was £100,000 and it was to be loaned, as were the others, on double mortgage security. The rate of interest was four per cent., and repayment to be completed within fourteen years. Depreciation was immediate and rapid, but the paper money party was firmly seated in power and the legislature passed acts of the most extreme character to enforce the circulation of the bills. The ordinary legal procedure, including trial by jury, was suspended in the case of offenders against the paper money laws. These "forcible acts", as they were called, came to naught, however, as the supreme court refused to exercise jurisdiction. Balked in their effort to force the circulation of the bills, the legislature turned to the easier task of paying off the state

debt in the depreciated currency. By a series of acts, ranging from December 1786 to March 1789, the holders of the state debt were ordered to bring in their claims and receive payment in the paper bills, under penalty of forfeiture of the whole amount. As a result of this threat about one half of the debt seems to have been presented and paid, the smaller holders as a rule yielding to necessity, the larger holders standing out in the hope of a more profitable adjustment. The paper money party was now nearing the end of its power. An act of October 1789 made the bills of 1786 receivable at fifteen to one for coin, and authorized those to whom the money had been loaned by the state to make repayment upon the same basis.

In May 1790 the state entered the Union, and the possibility of such schemes in the future ceased. Those who had been able to resist the attempt of the state to pay their claims in a depreciated currency now reaped the benefit of their foresight. By act of August 4, 1790 Congress provided for the assumption of \$21,500,000. of state debts, of which \$200,000. was allowed to Rhode Island. Seeing the injustice which would accrue to those who had been compelled to accept their payment in paper money, the assembly in June 1791 passed an act repealing the various acts which had declared null and void the securities which had not been brought in in accordance with the acts

of 1786-1789. Where payments had been made on securities in paper money the treasurer was authorized to reduce the amount so paid to specie value and deduct it from the face value of the security, the remainder to be presented with other securities for subscription to the United States loan. The United States commissioner, however, refused to receive these certificates, as the law under which the assumption took place provided that only those notes and certificates which had been issued prior to January 1, 1790 would be received. Thus the whole of this assumption accrued to the benefit of those who had not brought in their securities for payment, as ordered by the state. On the day following the assumption of the state debts, just referred to, Congress provided for a settlement of accounts between the United States and the individual states. The latter were to be debited with all advances made by the general government and credited with all disbursements made for "the general or particular defence during the war, and on the evidence thereof according to the principles of general equity (although such claims may not be sanctioned by the resolves of Congress, or supported by regular vouchers)." The settlement of these accounts showed Rhode Island to be a creditor of the United States to the amount of \$299,611. The final settlement between the state and its creditors is shown in the report of the general

treasurer in Feb. 1797. The whole amount of the debt recognized by the state was \$503,594.76. \$419,662.30 of this was paid by the transfer of United States stock in the possession of the state and \$83,932.46 by the issue of 4 % state certificates. This last formed what was known as the registered state debt. It was added to, from time to time, by the recognition of new claims for Revolutionary service and was diminished by occasional purchases by the state at a rate below the par value, but the state was always loth to recognize its full responsibility for the debt and ended by practical repudiation.

The above is an outline of the financial history of the state during the Revolution. We now turn back for a moment to obtain a more detailed idea of taxation. Perhaps this can best be done, as in the case of the French and Indian war, by means of a table. (The date given is that of the passage of the act assessing the tax. The first column contains the nominal amount of the tax as stated in said act. The second column contains the nominal amount of the tax actually assessed, certain deductions being necessary on account of the occupation of portions of the state by the enemy and for other reasons. The third column contains the same reduced to specie value, and the fourth column contains the same expressed in our present dollars. The taxes marked with a star are for con-

tinental purposes) 109.

	Date.	Nominal value in pounds.	Nominal value as- sessed.	Specie value as- sessed.	value in dollars.
	March, 1777.	16,000	12,658	11,613	42,387.
	Aug. "	32,000	25,516	16,877	61,601.
	Dec. "	48,000	37,115	11,973	<u>43,701.</u>
					147,689.
	Feb. 1778.	32,000	24,565	6,962	25,411.
	June "	32,000	24,289	6,072	22,163.
	Oct. "	32,000	After	6,000	<u>21,900.</u>
					69,474.
	Feb. 1779.	60,000	June,	6,912	25,229.
x	"	90,000	1778,	10,369	37,847.
	June "	60,000	the	4,471	16,319.
x	"	225,000	first	16,766	61,196.
x	Dec. "	120,000	and	4,628	<u>16,892</u>
x					157,483.
	Feb. 1780.	180,000	second	5,418	19,776.
x	May "	180,000	columns	3,913	14,282
	May "	180,000	are the	3,913	14,282.
	July "	10,000	same.	10,000	36,500.
	July "	400,000		5,797	21,159
	Nov. "	1,000,000		13,314	49,326.
	Nov. "	16,000		16,000	<u>58,400.</u>
					213,725.

Date	Nominal value in pounds.	Nominal value as- sessed.	Specie value as- sessed.	value in dollars.
May, 1781.	20,000		20,000	73,000
" "	6,000		6,000	<u>21,900</u>
x				94,900
Jan. 1782.	6,000		6,000	21,900
" "	12,000		12,000	43,800
x				
Feb. "	6,000		6,000	21,900
x				
June "	12,000		12,000	<u>43,800</u>
				131,400.
" 1783.	20,000		20,000	<u>73,000</u>
				73,000.
" 1784.	20,000		20,000	<u>73,000</u>
				73,000
Aug. 1785.	20,000		20,000	<u>73,000</u>
June				73,000.
1786.	20,000		13,333	<u>48,665.</u>
				48,665
March 1787.	20,000		3,534	12,899
Sept. "	30,000		5,000	<u>18,250.</u>
				31,149.
June 1788.	30,000		4,000	<u>14,600</u>
				14,600
March 1789	20,000		1,667	<u>6,085</u>
				6,085.

In addition to these money taxes there were various other burdens which took the form of more or less arbitrary contributions. Enactments were early passed regulating the prices of all articles, and, in case they could not be other-

wise procured, authorizing their seizure at these stated prices to meet various expenditures. It became customary, when troops were to be raised, to require each town to raise a certain number, often a cause of considerable expense, and, as the war went on and paper money and loans failed as sources of state revenue, it was common to hold each town responsible for a certain quantity of clothing or provisions. Payment of some kind was generally provided for, but, owing to the wretched financial conditions of the time, these requirements must have operated to a certain extent as a tax.

The long continued presence of the enemy necessitated in addition to the maintenance of an army as large or larger than the states proportion of the continental levies, an almost constant militia service which, though nominally paid for, must have been a severe burden and interfered seriously with industry. Again, in any attempt to estimate the burden of taxation during the Revolution, we must take into consideration not only the impositions above mentioned, which partake more or less of the character of taxation itself, but also the general condition of the colony. The British held possession of the island towns from December, 1776, to October, 1779. These towns were in great part deserted by the sympathizers

with the American cause, who, having lost almost all their property, became a burden upon the rest of the state. All the towns situated upon the sea coast or upon the shore of the bay were subject to the incursions of the enemy and were kept in a constant state of alarm, while on one occasion at least arrangements were made for the evacuation of Providence. Commerce was practically destroyed and economic life apparently to a great extent disorganized, giving rise to wide spread suffering from poverty.

If we assume the population of the taxable portion of the state for the years 1777 - 8 - 9, to be 46,000, the per capita rate of taxation for the period was about \$2.71 per annum, and the rate for the years 1780 - 1 - 2, on the basis of the population in 1782, was \$2.80. The highest rate during the period was in 1780, when it reached \$4.08. With the close of the war taxation diminished. In 1783 - 4 - 5, it was about \$1.35 per capita, and after the issue of paper money in 1786, it gradually sank until in 1789, it amounted to only about 9 cents.

Estimating the rateable property in this state, exclusive of the towns in possession of the British, at \$10,165,048, the rate of taxation for the three years 1777 -

1779, would have been 1.22 per cent per annum.

On a ratable basis if \$10,903,312, the rate in the years 1780 - 82, was 1.34 per cent, the highest rate during the period was 1.96 per cent in 1780. On the basis of the valuation computed in 1783, the rate for the years 1783 - 1785, was only .6 per cent and had fallen to .05 per cent in 1789.

When we remember that this taxation was for both state and continental purposes, it does not seem excessive, judged by the figures of today. Taking into consideration however the general and special economic conditions of the period, it is safe to say that it was a heavy burden. (110) Any comparison with recent times must necessarily be unsatisfactory, for finance was an art but little developed in the United States one hundred years ago, and the burdens of the Revolution were felt much more in the shape of a constantly depreciating currency, forced seizures of property, service without recompense, unpaid debts, and general economic disturbance, than in excessive taxation.

The law of taxation since 1710.

The history of the law of taxation shows us no change of principle but only a further development of detail where experience had shown (111) existing provisions inadequate. Additional measures against foreign traders were passed. In 1738 each town was directed to choose "three discreet and prudent Persons" to assess such foreign traders according to their trade. In case of non-payment the delinquent might be distrained upon or in case there was not sufficient visible property he might be committed to jail. (112)

Considerable progress was made in developing the law of assessment. In 1744 when taxation was resumed, a law was passed which declared in detail the various kinds of rateable property and the values at which they were to be assessed. It is of so much value, both as affording a comparison with the like enactments of the earlier period and as giving an example of the acts in accordance with which colony valuations were taken, that it seems best to print it in full. (113)

"An Act ascertaining what Estate is Rateable, and for proportioning the same in Value.

Be it enacted by the General Assembly of this Colony,

and by the Authority thereof, it is Enacted, That the following Estates shall be deemed Rateable in all Publick Colony Rates and Taxes, therein made and levied, and shall be included and considered in the Proportioning the same, and that in the following Manner, and according to the Specifick Value they are hereafter fixed at, viz:

All Neat Cattle of Four Years old and upwards, shall be valued at Ten Pounds per Head.

All Neat Cattle from Two Years old to Four Years old shall be valued at Five Pounds per Head; and Neat Cattle that are under Two Years old, are not to be considered.

All Horse Kind to be rated in the like Manner, as to their Age and Value.

All Sheep and Goats of One Year old and upwards, shall be valued at Fifteen Shillings per Head, and if younger, not to be valued.

All Swine of One Year old and upwards, shall be valued at Thirty Shillings per Head; but not to be considered before.

All Slaves for Life, that are between Sixteen and Fifty Years of Age, shall be set at the Price of Eighty Pounds; those under Sixteen, or above Fifty, not to be rated.

All deck'd Vessels that are in Port, shall be set at

Five Pounds per Ton; and those not deck'd, at Three Pounds per Ton.

All Trading Stock shall be set at Half the real Value thereof; to which is to be added, what Estate every Man hath, either in Money, Bonds, or other Estate that lies concealed, to be considered as other personal Estate, which the Rate makers shall have Power to require, and take an Account of as visible Estate.

All Lands, Houses, Mills, Wharffs and other real Estates, shall be valued at the Rate of Ten Years, and so considered in the Assessment.

All Males from Sixteen Years old and upwards, shall be stated at One Shilling per Head, for every Thousand Pound Rate assessed by the Colony; and in Proportion for a greater or lesser Sum: In which Assessment upon poles, shall be included all Servants for Years, of the Age aforesaid.

And be it Enacted by the Authority aforesaid, That the Assessors in all and every Rate, levied as aforesaid, shall consider all Persons who make Profit by their Faculties, and shall rate them accordingly. (114)

In 1747 the poll tax was reduced to nine pence per one thousand pounds of tax levied. As a matter of fact the usual

177
amount of the poll tax, as determined in the various acts ordering the assessment of taxes, was six pence per one thousand pounds. (115)

The digest of 1767, (116) defines somewhat more minutely than before the procedure to be followed by assessors. They were directed to make separate lists, first of the estates, the valuations of which had been handed in by the owners, second of the estates estimated by the assessors, and third of the number of polls.

The amount to be raised on polls was then to be deducted from the total tax and the remainder was to be apportioned among the rateable estates. Even in the case of those who made return of this property, the power of making the final estimate remained with the assessors, subject to an appeal to the next general sessions of the peace for the county. If it appeared that a true list had been handed in the tax payer might recover from the town treasury. The appeal was not to interfere with the process of collection. By act of 1769 all lands or other real estate granted or purchased for religious uses or for (117) schools were exempted from taxation.

It would appear that in the case of leased estates taxes had been assessed on the owner. This had rendered collec-

tion difficult, and in 1784 it was provided that in the future the tax should be assessed on the occupant who was to be liable in his real and personal property. If this was not sufficient the real estate occupied was liable.

By the same act assessors were required to distinguish between real and personal estate, and assign a separate column to each in their rate lists. (118)

The law in regard to collection also underwent considerable development. It was about the middle of the century that collectors began to be regularly elected as town officers. (119) A law of February 1755 provided that if a person rated in one town removed to another town without paying his rate, the collector of the town where he was rated might follow him and collect the tax. (120). The difficulty of collecting taxes on the lands of non-residents led to laws which provided that the land itself might be sold for taxes. (121) The general treasurer was first given the power to call special courts for the prosecution of delinquent collectors, (122) and later was authorized to bring actions directly against the town treasurer (123), who in return might recover from delinquent collectors and their bondsmen. In 1781 the real estate of collectors and their sureties was declared liable for the sat-

isfaction of all judgements secured against them. (124). Warrants for collection were declared to be in force until the tax was collected. (125). Collectors were empowered to call before them any one who they had reason to believe possessed property of any person who had been rated, but who had left the colony, and compel him to pay the tax of the absent person. In case the person summoned failed to appear and make declaration, he himself was liable to distraint for the amount of the tax. (126). Personal property seized by distraint might be removed, for sale, to any part of the colony. (127)

There were several other general laws of less importance (128) and, besides these, there were certain provisions which were re-enacted with each tax assessment. In this way the towns were required to pay all charges and fees for collection. Interest was charged against the towns in arrears. It was generally provided also that the towns might appoint new assessors for the assessment of each colonial tax, and, in some cases at least, it was customary.

Colonial and State Valuations.

The law of taxation as it appears in general acts has to do principally with questions of administration. What we might call the principle of the tax system was not as a rule embodied in the general law. It was the growth of custom and its existence was assumed in legislative acts. That the state might apportion the taxes among the towns with some degree of justice, it was necessary, however, that it should obtain information in regard to the value of the property existing within its borders. Thus, from time to time, general estimates were taken, and in the acts ordering these estimates we find a more detailed statement of the methods and principles to be followed, together with certain departures from the usual custom which reflect the various phases of economic life in the period to which they refer.

Just what was the basis of apportionment among the towns when taxation was resumed in 1744, we do not know. By act of June 1747 the assessors in each town were required to take an exact account of the rateable estate of all inhabitants on the basis of the act of 1744, and made returns to the next session of the assembly, for use in the apportionment of taxes. A similar valuation was ordered in 1754, and again in 1757.

Return is generally made, but they showed only the total valuation of each town is estimated by the assessors, and the assembly made use of no means of verification or revision. Protests against apportionment were frequent. In June 1761 another act was passed for marking a general valuation of the colony. The assessors of each town with two other persons appointed by the assembly did the work. Detailed rules were laid down for their guidance. They were to take account of all "Male Polls of Sixteen years old and upwards, distinguishing such as are exempt from Rates, and of all Rateable Estates lying within said Towns, by whom occupied, and what each Person's Real Estate may rent for by the year, particularly mentioning Land," and the various kinds of structures thereon. The estimate was also to distinguish all negro, Indian, or mulatto servants for life from fourteen to forty-five years of age, the number of tons of vessels upwards of ten tons burthen, each person's whole stock in trade including vessels under ten tons, all goods, merchandize, and money owned by any person or in his hands by "factorage," all wrought plate and money at interest "which any person hath, more than he pays interest for," and all horses and other cattle. The committees were ordered to distinguish the various "Improvements of Land", and to speci-

77

fy in their lists the number of acres of pasture, tillage, orchards, salt marsh, and sedge, fresh meadows, and English mowing land respectively, also the stock each pasture was ordinarily capable of feeding, and what quantity of produce the land yielded on the average. Persons handing in lists of their estates might on oath declare the amount of debts which they owed and deduct the same from their personal estates. The person in possession of an estate was obliged to give an account of the same, and when no one was in possession the committee was to estimate.

The committees were empowered to administer oaths, and if any inhabitant refused to hand in an account of his estate, he was to be "doomed" by the committee and forfeit £30. A committee was appointed to receive the reports of the various town committees, to compare and revise them and thus make a general estimate.

In February, 1762, this committee reported such an estimate. It was adopted by the assembly and declared to be the basis of future apportionments among the towns. The report contained the following estimates: acres of woodland 247,685; value of woodland £4,613,778; amount of live stock £2,335,007; money and trading stock £8,455,428; rents £1,458,748; polls

8,285. On the basis of these estimates the committee reported the following standard for apportionment:

One third part of the woodland	£ 1,557,926-0-0
Total amount of live stock and negroes	2,835,007-0-0
One half the amount of trading stock	4,227,514-0-0
Total amount of rents at twelve years purchase	<u>17,504,976-0-0</u>
	26,105,423.
	(129)

A protest on the part of the country towns signed by twenty members was immediately presented. The grounds of complaint were that the committee had reduced trading stock one half when the act for taking, the estimate had already "provided for large deductions," and secondly that twelve years purchase was too high an estimate for land values. Although the estimate of 1762 had been accepted as the legal basis of apportionment. Departures were made from it which gave rise to more or less weighty protests. In the case of the tax assessed in October, 1765, there was a protest signed by fifteen members which declared the estimate of 1762 to be the only legal rule of apportionment, and that the present departure from it was "altogether arbitrary, unequal and oppressive to particular towns, nor founded on any real knowledge of the circumstances of the people taxes." Providence, Scituate and Cumberland re-

4

refused to pay the tax. Another protest by the representatives of the same towns was made against the apportionment of the tax in the succeeding year, when the apportionment was declared to be "a high act of arbitrary power and despotism and an exercise of such authority as is utterly inconsistent with a British Constitution." The assembly proceeded against the towns and recovered judgment, but did not venture to put it into execution and finally agreed that the refractory towns should pay their portion of the last two taxes on the basis of the estimate of 1762. The result of this dispute was the general estimate of 1769. The act for taking the estimate was passed in June, 1767. A committee of five (one from each county) were directed to proceed into each town and make the valuations. The principles laid down for the guidance of the committee were much the same as those employed in 1762. Trading stock however was to be estimated at its full value, except vessels at sea and their cargoes which were to be estimated at two thirds of their real value. Negro and other slaves and improved lands were to be estimated at their full value, the value of the lands to be reckoned at twenty years rental. Houses and buildings of all kinds, including those used for manufacturing purposes, were to be estimated at fifteen years rental, horses and other farming stock at full value. Debts

77
might be deducted from the personal estate if the "Committee shall think the same best". The committee were given power to examine on oath and to send for papers and records. If any person refused to testify or give an account of his estate, he was to be taxed two fold in the next colony rate. No colony tax was to be levied until the valuation was made and approved, when it was to be the standard for the apportionment of taxes until a new estimate was taken. A protest was entered signed by eight members asserting that twenty years purchase was an over valuation of land, while fifteen years purchase was no higher than, if indeed it was so high as, the real value of houses and buildings, and that unimproved land as it yielded no profit, should not be taxed. Land holders, it was claimed, would bear a much larger share of the public burdens than in justice they ought in proportion to the merchants and traders.

The report of the committee as at first presented was subjected to careful re-examination and correction. The final result was reported and accepted in February, 1769, and the estimate was declared to be "the Law and Rule for future Taxation." The estimate as adopted contained the following items:

Acres of woodland

241,085 $\frac{3}{4}$

Value of woodland

£ 236,946 - 5 - 6

rent at 20 and 15 years	1,356,850 - 16
Sum total of ratables of each town	<u>517,578 - 9 - 1</u>
Total	2,111,356 - 0 - 7
Polls	8,982.

Protests against apportionments under the estimate were few. From October, 1774, to March, 1777, no tax was levied. When it was found necessary to resume taxation a committee was appointed to consider the changes which had occurred in each town since 1769, and agree upon a new basis of apportionment. The committee completed its work in one day, and made a report containing an estimate which was accepted as a temporary standard. The total valuation of the new estimate was only a few pounds greater than that of eight years before. The island towns, then in possession of the enemy, were relieved at the expense of the main land, the most important change being the removal of £ 100,000 from the valuation of Newport and the placing of it on Providence, increasing the valuation of the latter town by nearly eighty per cent. Providence, in its desire to further the resumption of taxation, accepted this large addition, but only on condition that it should not become a precedent. The General Assembly however showed no desire to take a new estimate and continued to apportion taxes

in accordance with the estimate of March, 1777.

Providence, beginning to feel the burdens of the war in the stoppage of its commerce and the demands of military service, protested and refused to pay its tax as it had done ten years before. The assembly reduced the valuation of Providence first by £ 25,000, then by £ 50,000, and in October, 1778, passed an act for taking a new estimate. As in 1769, a committee of five was appointed and was directed to proceed into each town and take account of ratable estates and all male polls of twenty-one years and upwards, except ministers of the gospel and officers and soldiers in the army and naval service. The principles on which the estimate was to be taken varied but little from those laid down for the estimate of 1769. All the property enumerated was to be appraised at its full value, "whether the said rateable Property be removed without the limits of the state or not." The committee as before were empowered, if they thought best, to deduct debts from personal estate. No report was made until July, 1780. The committee had visited each town "and with great care, and as much precision as possible, have endeavored to obtain an exact account of the real value of this state." The report was accepted and the estimate declared to be the legal basis of apportionment.

The total valuation was £ 2,778,145 - 10 - 0. In September several towns complained that the estimate was erroneous, and a committee was appointed to revise it. This committee reported in November having increased the total valuation about £ 10,000, and made considerable alterations in the relative portions of the towns. This report was submitted to still another revision, the final report however being presented at the same session. The total remained unchanged and the changes made in proportions assigned to the towns were, for the most part, not important. This last report gives merely the total valuations of the towns, but the earlier report of the November session comprises the following headings:

Number of acres	518,112 $\frac{3}{4}$
Price per acre	£ 2 - 5s. to £ 70-10s-6d.
Value of real estate	2,788,145 - 10s.

In none of these estimates were the island towns included. A valuation of these towns, in accordance with the act of 1778, was ordered in June, 1783, and completed in October of the same year. It showed a total of £ 502,227 - 5 - 0 which, added to the valuation of the mainland towns in 1780, gave a total valuation for the state of £ 3,290,372 - 15 - 0.

This was the last general estimate made before the adoption of the constitution of the United States.

The first point which we notice in these valuations is the prominent part played by the poll tax. On the basis of the estimate of 1762, and a poll tax of six pence per one thousand pounds, the poll tax supplied 20.7 per cent of all receipts from taxes. In 1769, the proportion was 22.2 per cent. This proportion increased of course with the growth of population, and by 1774, must have amounted to 24 per cent, but the diminution of the taxable population during the war brought it down again to 22 per cent in 1780. As to the proportions in which personal and real estate entered into the valuation, personal estate formed about one-third of the total in 1762, and about one-fourth in 1769, while, owing to the destruction of personal property during the war, it had sunk to about one-eighth in 1780. In all these estimates there is a tendency to favor personalty, as represented in the growing commercial interests, at the expense of the proprietors of land. In 1762, money and trading stock was valued at only one-half of its true value, and in 1769, land was valued at twenty years rental which must certainly have been a high valuation.

7

A comparison of the proportions in which the various towns contributed to the various taxes is instructive. The figures following refer to the estimate of 1769. The whole number of towns was twenty-eight. Eleven towns paid a larger proportion of the total property tax than of the total poll tax, showing they they contained more than their proportionate share of wealth. As a whole they comprised the territory which borders on Narragansett Bay, and which had been long settled. Together they contained 40.32 per cent of the rateable polls, and 56.10 per cent of the property in the colony. The most important towns among them were Newport, which contained 12.44 per cent of the polls, and 15.6 per cent of the property; Providence which contained 5.06 per cent of the polls and 5.94 per cent of the property, and South Kingstown which contained 4.78 per cent of the polls and 9.3 per cent of the property. As a rule these were also the towns which contained the largest proportions of personal property.

Of the property valued in Newport 47.4 per cent was personal, in Providence 51 per cent. Newport contained 50 per cent of all the personal property in the colony, Providence 12.4 per cent (i.e. the two commercial towns with 17.5 per cent of the polls contained 42.4 per cent of the personal property) and South Kingstown 6.2 per cent. Eleven towns out of the

twenty-eight contained 77 per cent of the personality. These same towns contained 49.5 per cent of the polls.

The gain in valuation from £ 2,111,295 - 10 - 7 to £ 3,290,372 - 15, between 1769 and 1780 - 1783, was entirely on real estate, the personal property valuation remaining practically stationary, owing to the destruction caused by the war.

There is a falling off in the share of taxes paid by the commercial towns in proportion to their population. In 1782, Providence contained 8.23 per cent of the population, but it paid only 6.98 per cent of the taxes. Newport's percentage of population had fallen to 10.56 per cent and the percentage of taxes to 7.81. On the other hand, the country towns had gained proportionately. Taking Providence county, exclusive of the town of Providence, we find that in 1769, it contained 26.64 per cent of the polls and 19.2 per cent of the property, in 1782 it contained 25.27 per cent of the population and 27 per cent of the property. There was but little change in the relative positions of the other counties, Kings County made a slight gain, and the other counties suffered a slight loss, with the exception of Newport County. Here the loss of the Island towns was great. In 1769, they contained 19.09 per cent of the polls and 26.7 per cent of the property

while in 1785 they had but about 16 per cent of the population and 15.2 per cent of the property.

Customs and Excise Duties.

Among the acts of the first assembly under the Patent in 1647, occurs the following:

"It is ordered that the Dutch, French or other alligants, or any Englishman inhabiting among them, shall pay the like customs and duties, as we do among them for all such goods as shall be imported for the English, except beaver."

This act was probably of little practical importance as the trade of the colony during the seventeenth century was very small. In 1655, an excise duty of five shillings was imposed on every anchor of liquors and quarter cask of wine, and three years later a like customs duty was added. The revenue from both taxes at first went to the towns, but in 1674 it was transferred to the colony, as "the whole excise seems almost all lost by neglect." The collection of the tax was to be farmed out. Whether the tax was more productive than under town government we do not know. It was repealed in 1686. Both customs and excise duties were introduced by Andros, but disappeared with his government. In 1696, however, the customs duties on liquors was reimposed by the colony, and molasses was added to the list. In 1707 slaves were added to the dutiable articles, at £ 3 per head. About twenty or

thirty were annually imported from the Barbadoes, and their value was from £ 30 to £ 40 a piece. The income from this source must have been of considerable importance at the period. In 1715 the revenue from this tax in the naval officers' hands was £ 289 - 17 - 3. In the same year the law was amended so as to cover negroes brought in from the neighboring colonies. The act seems to have remained in force until May, 1732, when it was repealed under instructions from the English government. There seems to have been no further imposition of customs or excise duties on the part of the colony until the period of the Revolution. The state, as we have seen, was left in an exhausted condition at the close of the war. The people were unwilling to continue the payment of taxes and were behind on those already levied. The annual interest on the debt was considerable.

A committee, appointed to devise means for supplying the treasury, reported November, 1762, recommending the imposition of customs and excise taxes. In February of the following year, an act was passed in accordance with this recommendation to take effect on the tenth of April following. Both customs and excise duties were imposed. Collectors do not seem to have been appointed until May, and in June the act was repealed so

that it was of little practical importance. At the same session, however, its place was supplied by an act laying a duty of two per cent ad valorem "on the Value, and at the Time and place of landing of all Goods which shall be imported into this State being of the Growth or Manufacture of any foreign State," the revenue, as before, to be devoted to the payment of interest on the public debt. The act was to take effect on July 1.

The law was enforced with severe penalties. No imported goods were to be landed without permit obtained, on penalty of forfeiture of vessel and cargo. No dutiable goods imported by land could be removed from the town into which they were imported, or sold or consumed in that town without a permit from the collector of impost, under penalty of forfeiture or a fine equal to the value of the goods. In June, 1784, the duty was raised to two and one-half per cent. It was at this period that manufacturing industries began to take root in Rhode Island, and, as a natural result, we find evidence of the growth of the protective principle in tariff legislation.

In February of the following year a committee was appointed "to draught an act laying an additional duty upon hats, shoes, boots and such other articles of foreign manufacture as may be manufactured within this State." In May an

an act was passed discriminating against British vessels. It provided for an additional duty of 7 1/2 per cent on goods imported in any vessel owned in whole or in part by British subjects.

The result of the work of the committee appointed in February is seen in an act of June, 17 5, entitled 'An Act for laying additional Duties on certain enumerated Articles, and for encouraging the Manufactory thereof within this State, and the United States of America.' The act is quite extensive including the following articles:

25 %	10 %
Ready made garments, canes, brush handles, warming pan handles, mop sticks, tailors' press and notch boards, house bells, toys.	Tools for the use of block makers, chaise makers, tanners, carriers, caulkers, shoe makers and husbandmen. (sickles, plane irons and saws excepted) muffs, tippets, ermine, candles, soap, manufactured tobacco, goldsmiths, silversmiths and jewellers ware.
20 %	
Scythes, hoes, leather goods.	
12 %	
Paper, blank books, pewter ware, tin ware.	

10 % (Con.)

5 %

Instrument and cabinet makers
work, frame chairs, porter, beer.

Cordage, twine.

Special Duties.

Axes and adzes (per doz.)	Loaf sugar (3 d. per lb.)
6 s. - 20 s.	Hats 1s.- 6 d. - 3s.
Cards (per doz.boxes) 12 s.	Iron hollow ware 6s.per cwt.
Women's shoes (per pair)	Dressed and tanned leather
1s. 1s.6 d.	3 d. per lb.
Cheese 3 d. per lb.	Wrought silver 1 s. per
Wrought gold 6 s. per ounce.	ounce.
Clocks and gold watches 18 s.	Silver watches 6 s.
Carriages £ 3, 15 s. - £ 15.	

Though the purpose of the act was protective, it is evident that in the case of many of the articles enumerated, the duty was entirely a revenue tax. In March, 1786, steps were taken towards laying an excise duty. A committee was appointed to draw up a bill for the purpose. The committee reported at the same session and an elaborate excise act was passed, which was to go into effect on May 16; but at the session in that month the act was suspended until the next

session, when a committee of revision was appointed. There is no further mention of any legislation in regard to the excise until December, when another excise law was passed to go into effect on May 15, 1787, and remain in force for three years. Neither of these acts seem to have been generally enforced. No collectors were appointed under the act of March. Under the December act collectors were appointed in May, 1787, but there is no record of any subsequent appointments.

When government under the United States constitution went into operation, in 1789, it became impossible for Rhode Island to pursue an independent policy in regard to customs duties, and the General Assembly at the May session passed a law providing that the same duties, payable in the same money, be collected in Rhode Island as should be ordered by Congress for the United States. In September the assembly supplemented this provision by enacting a law similar to that which had been passed by Congress. Goods imported from the United States and from North Carolina were exempt from duty. In May, 1790, the state adopted the constitution and the power to levy impost duties ceased.

The want of method in keeping accounts at the time renders it impossible to state exactly the amount of revenue received under the acts imposing import duties. I have found

how ver nearly complete returns of the duties collected in the counties of Providence and Newport, which contained the principal ports of entry.

County of Providence.

(Includes receipts from October 1, 1783)

Total nominal receipts	\$ 21,533 - 14 - 7 $\frac{3}{4}$
Receipts in paper money of 1786,	<u>11,464 - 4 - 1</u>
Receipts in specie	10,069 - 10 - 6 $\frac{3}{4}$
Specie value of paper money receipts	<u>1,550 - 14 - 6 $\frac{3}{4}$</u> 11,620 - 5 - 1 $\frac{1}{2}$
Value in present dollars	\$ 42,414.

County of Newport.

(Includes receipts from July, 1783, May, 1789, and from Sept. 1789)

Total nominal receipts July, 1783, May, 1789,	18,900 - 1 - 8 $\frac{3}{4}$
Receipts in paper money of 1786,	<u>10,151 - 12 - 8 $\frac{3}{4}$</u>
Receipts in specie	8,768 - 1 - 0
Specie value of paper money receipts	<u>2,181 - 10 - 4 $\frac{1}{2}$</u>
Total specie value of receipts	10,949 - 11 - 4 $\frac{1}{2}$
Value in present dollars	\$ 39,966.
Receipts from September, 1789,	<u>3,502.</u>

Total	13,168.
Providence County	<u>42,414.</u>
Total for both counties	85,582.

Such figures, of course, are not exact, and it has been impossible to find more than fragmentary returns from other counties. Such counties were, however, comparatively unimportant. It will probably not be far from the truth if we place the total receipts under the customs acts for the period of between six and seven years, when they were in force, at something over \$90,000 or about \$14,000 a year. The interest on the public debt must have amounted to between \$30,000 and \$40,000 per annum, so that the revenue from customs duties fell far short of satisfying the purpose for which it was imposed.

Tonnage Duties.

Tonnage duties were imposed as early as 1690, and continued until Rhode Island entered the union. They were first levied for the support of the fort and were payable in either money or powder. About the middle of the eighteenth century a light house was built and additional tonnage duties were imposed for its support. The amounts varied from time to time, according to the needs of the fort or light house, and there was discrimination in favor of vessels engaged in home trade.

In 1767, a time of peace, the duty imposed for the support of the fort was 2 S., or 1 lb. of powder per ton for all vessels above ten tons, not owned by inhabitants of the colony. The "light money" was 4 1/2 d. per ton for foreign vessels and 3 s. for each clearing for coasters.

Notes.

1. Gneist, Hist. of the Eng. Const., Vol. 1, p. 34.
2. Wilson, The National Budget, p. 10:

In the year ending March 31, 1886, the net receipts from domains, forests, &c., were only £380,000, out of a total revenue of over £89,000,000, but it is interesting to notice that even now by the ordinary revenue is understood "the old hereditary property of the king, the original property of the state, which belongs to the king independently of any vote of Parliament," while by extraordinary revenue is understood "the income derived from direct taxation, customs, and excises granted by vote of Parliament." Gneist, Hist. Eng. Const. II, 346-7.

3. Wilson p. 7:

The earliest taxation was on land only. Taxation of personal property was introduced by the Saladin Tithe in 1188. It was the introduction of a poll tax which led to the Wat Tyler rebellion of 1381. The first permanent tax was the hearth money tax imposed in 1663. Much the greater part of the taxes are now permanent.

4. In early times the fines were apportioned among those whose neglect had caused the fine i.e. the freeholders with freeholdings, including houses and profitable rights, as the basis of assessment. (Gneist, Hist. Eng. Const. I, 375, 376.) The

system now becomes the household (whether freehold or not) "according to the scale of the visible profitable property in the parish." (Ib. II, 212.) The act itself reads that the overseers of the poor shall have power to raise the necessary funds "by Taxation of every inhabitant, Parson, Vicar and other, and of every occupier of Lands, Houses, Tithes impropriate, Appropriations of Tithes, Coal Mines or saleable Underwoods in the said Parish, in such competent Sum and Sums of Money as they shall think fit."

5. No tax was ever levied in support of religion. The colony as a whole seems to have neglected education. In 1640, however, Robert Lenthall, school teacher and minister, was granted 104 acres of land by Newport, and 100 acres was appropriated for a school "for encouragement of the poorer sort." Arnold's Hist. of R.I., Vol. 1, p. 145. Providence also later made some provisions for education.

6. Providence, Portsmouth, Newport and Warwick, founded between 1636 and 1642, were perfectly independent with full powers of self government until united under what is known as the Patent in 1647. This independent character of the towns is brought out in W. E. Foster's Town Government in Rhode Island - John Hopkins University Studies, Fourth Series.

7. R. I. Col. Recs. I, 27 - 31.

8. Among the entries under the first day of which we have record is an order for the appointment of a treasurer for the "depending of the Towne's stock." (R. I. Col. Recs. I, 13)

Some months later it is provided that any one more than a quarter of an hour late at a town meeting shall be fined 1s. 6d.

(ib. p. 15) An entry under the second year shows that payments had been made for lands received by new comers, and like payments are ordered to be made by future comers, but the amounts are illegible. (Staples' Annals of Prov., p. 23) In 1661, Roger Williams in speaking of the year 1638, says it was agreed that every person admitted to "injoying landes" should pay 50s. to the common stock (R. I. Col. Recs. I, 23) And in the articles of government in 1640, it is provided that every one received as a townsman shall make the same payment (ib. 30) The same provision is included in the plan for a new settlement proposed by Roger Williams (ib. 40)

9. At Portsmouth the charge was 2s. per acre (R. I. Col. Recs. I, 56)

10. In 1638, a fence was ordered to be built "the charge to be borne proportionally to every mans allotment." (repealed). In the same year two treasurers are chosen; it is ordered that the highways be repaired and that a prison be built both to be paid for out of the treasury. A land subsidy for building a

mill is granted and in 1643 a town watch is ordered to be kept every night, also to be paid for out of the treasury. (R. I. Col. Recs. I, 53, 57, 58, 59, 78.) Still more interesting is the appointment of four men for the venison trade with the Indians. These "truck masters" are forbidden to give more than three half pence a pound, "a farthing for each pound being allowed to the treasury" (lb. 63) Every inhabitant was ordered to be provided with one musket, one pound of powder, twenty bullets, two fademes of match, sword, rest and bandoliers, (lb. 54) On another occasion every man was ordered to have by him four pounds of shot and two pounds of powder. (lb. 77)

11. The treasurer was directed to pay to the secretary for service done £19 and 10 acres of land, and to the sergeant £6. In another instance he is ordered to make a payment of £57 2s. 4d. (R. I. Col. Recs. I, 90, 95) There is no evidence of the payment of the judge and elders, who were both executive and judicial officers.

12. R. I. Col. Recs. I, 87: This is the first statement (if we except the payment according to allotments ordered at Portsmouth, which was repealed. See above Note 10.) which we find of a principle that could serve as a basis of taxation. Another entry which might point either to payments for lands or taxes is "It is ordered that such as shall bring in their acquit-

ances from the Treasury to the Judge and Elders shall have their Lands recorded." (ib. p. 99). That payments for land would require a warrant seems clear from an order of the General Court of the inhabitants of Portsmouth and Newport, after the union of the two towns, directing the "Treasurer to make demands for all such monies as are due to the Treasurers for the Lands assigned forth to particular men," (ib. 103)

13. R. I. Col. Recs. I, 122: The order directs "that the three shillings a day allowance be taken off from the Officers."

The "Officers" might imply that all officers were paid, but there has been no mention of payment except to the secretary and sergeant. It is not unlikely that the magistrates received fees in their judicial capacity.

14. A committee appointed to examine and balance the accounts of the treasurers reported that £111, 3s. 4d. was due from the treasury of Newport. The frequent examinations of accounts which are ordered also show that financial matters are increasing in importance.

15. R. I. Col. Recs. I, 125.

16. This interruption was caused by William Douglass, a citizen of Newport, who obtained from the Council of State in England a grant to govern the islands of Rhode Island and Conanicut, with a council of six men named by the people and ap-

proved by himself. The grant was repealed in Oct. 1662, but mutual jealousies kept the towns apart till the date given.

17. Government under the Patent was marked by extreme decentralization. At first all legislative powers remained with the freemen of the towns; the committee could merely propose measures and declare the decisions reached by the freemen.

The committee, however, tended to become the legislative body and was regularly established as such on the resumption of the government in 1654. (H. I. Col. Recs. I, 276 et seq.)

18. No solicitor was elected after 1684.

19. This continued until 1747. Arnold Hist. of R.I. II, 157.

20. There are several instances of laws imposing fines of from £1 to £10 for refusal to bear office. A man could not be compelled however to bear office for several years in succession. In 1659, an assistant who had been elected several times was excused from further service, and a law of 1665, imposing a fine of £5 on constables for refusal to serve, provided that the same man should not be elected more than once in three years. By act of 1672, no man need serve as a deputy for two courts in succession. More than this, a town law, "declared all the inhabitants, though not admitted freemen, liable to be elected to office," (Staples Annals of Prov. p. 118) By act of Assembly in 1670, any person judged capable of

holding public office might be elected a freeman whether he desired it or not. (R.I. Col. Recs. II, 357).

21. The only legislative officers under the Patent who received any pay were the commissioners from the towns, who were allowed 2s. a day payable by the towns, with a double fine for absence (R.I. Col. Recs. I, 307). No salaries appear to have been paid under the charter for the first few years. In 1666, (R.I. Col. Recs. II, 167) 3s. a day was granted to all who served in the general assembly or colony court of trials (except such as had stated fees), payable in the former case by bills receivable for taxes in the town of the holder and in the latter case out of the general treasury. The fine for non-attendance was double the pay. In April, 1672, these salaries were increased, but the increase was repealed the next month, and in November deputies wages were fixed at 2s. a day, payable by the town, with a fine of £1 for non-appearance at the assembly or £2 in case there was no quorum, for an assistant in the latter case the fine was £5. (R. I. Col. Recs. II, 443, 456, 473) By acts of 1664 and 1666, a like fine had been imposed on magistrates absent from the court of trials in case of no quorum. By act of 1680, (R. I. Col. Recs. III, 87) magistrates and deputies were to be paid out of the general treasury at the rate of 7s. a week. Perhaps this was a substitute for the act of 1679. This com-

21. As all 1662 legislation in the records on the subject, there seems to be some doubt as to the extent of the action of these laws. Arnold (Vol. I, p32) says "Salaries had occasionally been paid to the civil officers, but most of the time public service had been performed gratuitously." In any case the imposition of fines for non-attendance must have gone far to make the system self supporting.

22. The sergeant in particular was a considerable source of expense. Several times as late as 1664, we find taxes of from £5 to £25 levied for the payment of his bills, and an act of 1673, recites that the inhabitants have been "greatly oppressed and grieved" by the sergeant's "great wages" and that hereafter he shall receive but 3 s. a day for attendance in the general assembly, and simply his fees at the court of trials, instead of "great fees at the Court of Tryalls, and four shillings a day, alsoe" as heretofore.

23. A law of 1670. (H.I.Col. Recs. II, 361) provides that for rates formerly or now ordered the treasurer shall have one shilling in the pound for all he receives in provisions, but nothing for what he shall receive in money or for any fines now due the colony, "and what charge he shall be at he shall be allowed for that & sides." In 1671, (ib. 385) it is ordered that for all (in money or other pay) that the treasurer has

see paid during the 1st, or shall receive ~~the~~ the ~~same~~ ^{same},
after he shall be allowed twelve pence on the pound. An audit
of 1681, speaks of the treasurer's commissions at 5%. An audit
of the accounts of the treasurer under Andros show that the
commission was 10%, and this rate seems to have been continued
after the reestablishment of the colonial government. In the
case of the tax levied in 1679, the towns are ordered to pay
the treasurer's salary in addition to the tax, but as a rule
his commission seems to have been deducted from the receipts.
24. Later the colony, in some instances, made grants to meet the
expenses of certain of the roads and bridges of more than local
importance.

25. R. I. Col. Recs. I, 222.

26. Ib. 238.

27. This is shown often in the wording of the laws; for ex-
ample, in the salary law of 1666. (see p. 111 Note 1) the treas-
urer is ordered to make payment "out of those monies which
either by fine, forfeiture or otherwise, are brought into the
Treasury," and in the act granting diet and lodging in 1679,
(see ib.) the expense is to be met out of "the fines and for-
feitures due to the Colony." Taxes are not specified as a
source of revenue. The audit reports entered in the colony ac-
count book show the same thing. The decentralization which
marked the government under the Patent is seen in the order

"That the Publick Treasurer shall only receive such Fines, forfeitures, amercements and taxes, as fall upon such as are not within the liberties" of the four towns. (R.I. Col. Recs. I, provides 167). An act of 1650 (ib. 351) ^{provides} that all "Fines that are committed about ye Generall Courts, as of jurymen, &c., shall all retaine and belong to ye Generall Treasure." And in general it was the fines imposed in the colony courts that were the most fruitful sources of revenue.

28. R.I. Col. Recs. I, 323: The towns of Providence and Warwick were to have each one barrel of powder, five hundred pounds of lead, six pikes, and six muskets. Portsmouth was to have two barrels of powder, one thousand weight of lead, twelve pikes, and eighteen muskets; Newport, three barrels of powder, one thousand weight of lead, twelve pikes, and twenty-four muskets.

29. A tax of £31 was levied for this purpose in November, 1668, and in the following May another of £50 (R.I. Col. Recs. I, 325, 416). It is not quite clear whether or not the second was meant to include the first.

30. Three years later the order had not been complied with. Newport however had a prison under way. This was adopted as the prison of the colony and the other towns were ordered to contribute to the cost. The portion of the law ordering judges

to be built was repealed.

31. The claims of Massachusetts, Connecticut and Plymouth included practically the whole territory of the colony. The claim of Connecticut up to the bay on the west was not settled until 1703, and the claim of Massachusetts (which had succeeded to the Plymouth claim) up to the bay on the east was not settled until 1716.

32. None of this tax was paid for some years, and the whole amount was never received by Williams (See his letter to the town clerk of Providence, Jan. 1680 - 81, printed in the Narragansett Club Publications, Vol. 6, p. 400) Contributions (amounting it was claimed to £200) seem to have been taken up in Warwick and Providence to send Williams on his second agency (See R. I. Col. Recs. I, 234, & II, 78), but he was obliged to sell his trading house in Narragansett to support his family during his absence (Arnold I, 239), and he seems to have been compelled to support himself by teaching while in England (Arnold I, 251). As he himself expresses it he was "left to starve, or steal, or beg or borrow." (Letter to Providence R.I. Col. Recs. I, 351). He was also obliged to sell several islands in the Bay owned by him to meet his expenses incurred on his journeys to England (Arnold I, 105). Clarke seems to have supported himself in part by preaching and other

means. (R.I. Col. Recs. II, 79)

33. It was first attempted to raise the necessary amount by contribution (R.I. Col. Recs. I, 443). About £40 seem to have been secured this way. Those who had contributed were allowed to set off their contributions against their part of the rate.

34. Does not seem to have been fully paid Oct., 1663. (R.I. Col. Recs. I, 506)

35. This tax was collected with the greatest difficulty. Hardly any of it seems to have been paid for several years. A "great part" remains unpaid in October, 1669, (R.I. Col. Recs. II, 288) and we find measures taken for its collection in certain places as late as May, 1671. (R.I. Col. Recs. II, 380-3). In October, 1668, (ditto II, 183) it is mentioned that "several persons" are "yett behind" in former rates.

36. Westerly had contributed £65 and was excused from the tax. In May, 1671, (R.I. Col. Recs. II, 380 et seq.) a great portion of this tax had not been assessed.

37. This was the first percentage tax. In May, 1674, "under severall pretences few or none paid." (R.I. Col. Recs. II, 521). Some are also behind in former rates. (ditto 521). So far as shown by the colony account book, the receipts from this tax amounted to but a few pounds.

38. In May, 1679, several towns had not assessed the rate.

(R.I. Col. Recs. III, 35) An audit in July, 1681, shows that and the £108 6s. 10d. is due on his date of 1680, a considerable portion of the deficiency being for the present tax.

39. The sum was paid down by Stephen Arnold, who was guaranteed by the notes of several other persons who in turn were to be paid out of the tax. In June, 1681, certain of those who had given their notes to Arnold petition for relief, from which it is evident that the tax had not been paid. The delinquent towns are ordered to pay.

40. For delinquency in payment see notes 38 and 41.

41. The colony account book shows the receipt of but £ 59, 13s. 10d. up to September, 1686, from the deficiency of £ 108, 6s. 10d. (Note 38) and the present tax. More may have been received for the accounts were left in an irregular manner, and the custom of offsetting debts due from the colony against rates may have prevented some payments being recorded at all. On the other hand it was in the summer of 1686, that the colony forfeited its charter so that it would not be strange if the taxes due were not collected.

42. I have been able to find no trace of this tax in the colony records, but such a tax seems to have been ordered by Andros throughout his whole jurisdiction, and it is mentioned as levied in Staples Annals of Providence, p. 177.

43. This tax as assessed in Providence amounted to £ 37 12s. 5d. of which £ 14 was poll money, giving the number of polls assessed as 178. The number of separate property assessments was 144. In the rate of £ 120 levied in the same year Providence paid one-sixth of the whole. Using this as a basis of calculation the penny in the pound and poll tax would have amounted to about £ 225. The other penny in the pound taxes do not seem to have yielded quite so much. The three perhaps yielded about £ 600.

44. R.I. Col. Recs. I, 104 - 5. Herdsmen or lightermen detained on their necessary employment were subject to a fine of only 2s.6d., and farmers might leave one man at home subject to the same penalty.

45. R.I. Col. Recs. I, 153: Provision was also made for archery. Every person ^{above} seven years of age was required to be supplied with bow and arrows and to practice shooting. (Ibid 180)

46. R.I. Col. Recs. I, 372: In 1673, those also were exempted who could not fight without violating their conscience. A concession to the Quakers, but the abuse to which the law was subject led to its repeal a few years later.

47. The arms required by the act of 1647, were "a musket, one pound of powder, twenty bullets, and two faden of match, with sword, rest bandoliers all completely furnished." By act of

1665, in addition to his arms each man must be furnished with two pounds of powder and four pounds of lead or shot. (R.I. Col. Recs. II, 117). Under the law of 1677 the equipments were one gun or musket, one pound of powder, and thirty bullets (Ibid 570). The act of 1665, speaks of the burden on the poorer citizens in keeping their arms in repair, and ammunition on hand, and provides that to meet these expenses nine shillings a year in current pay shall be paid to each enlisted soldier, the necessary amount to be levied by rate. No future law makes any mention of such payment and service was probably as a rule without recompense.

48. We have of course no accurate records of the number of the population at that time. From the data which we do have however it is probably safe to say that when the four towns came together in 1647, the colony contained less than one thousand inhabitants, and that the number gradually increased until at the end of the period, it amounted to between four and five thousand. The royal commissioners reported in 1665, that the "Colony hath its scattered townes upon Rhode Island, two upon the maine land, and four small villages" (R.I. Col. Recs. II, 129). By 1678 the towns had increased to nine, at which number they remained for many years. Certain parts of the colony, as the island and some of the country in the south and to the

West of the Bay (the Narragansett country) seem to have been very fertile. Say the commissioners above quoted "In this Province also is the best English grasse, and most sheepe, the ground very fruitfull, ones being ordinarily two lambs, corn yields eighty for one, and in some places, they have had some sixe years together without manuring." The industry of the colony at this period was wholly agricultural and tended to stock and dairy farming rather than to the raising of grain. Indeed the colony seems on some occasions to have been dependent on its neighbors to supplement its own supply of the latter article. The colonists seem to have been comfortably off, without either great wealth or great poverty. In Providence estates were of small size (a few acres) life was on a very humble scale, the inhabitants enjoying only the real necessities. On the island estates were also small in size but there was more wealth, and the Narragansett country a few years later saw the growth of large stock farms and plantations, sometimes five, six, or even ten square miles in extent, managed by slave labor. Perhaps the condition of the colony as a whole during the period from 1647 to 1689, is best summed up in the words of Governor Ward in a letter to the Board of Trade many years later, "For, although we were not rich, yet poverty was a stranger among us, till the year 1710." An ex-

167

cellent picture of the early economic development of Providence can be found in Dorr's "Planting and Growth of Providence," published as No. 13 of the Rhode Island Hist. Tracts. A description of the "Narragansett Planters" is given by Mr. Hazard Channing (Johns Hopkins University Studies, Series IV, No. III). Not only were the people of that time lacking in wealth according to the standard of today, but the organization of their economic life was entirely different from that we now know. Each family possessed a sufficiency of land, but produced only enough to meet the current needs of the household. There was no chance for saving, investment and accumulation; there was no adequate money system. All this would make a tax fall much more heavily than under our present conditions. Another circumstance that added to the burden was that taxes were not levied continuously, a small amount each year, but in considerable amounts, at intervals of several years. The colony suffered greatly at the time of Philip's war. Warwick and a large part of Providence were destroyed, the inhabitants taking refuge on the island. All these considerations must be taken into account in the endeavor to form a judgment of the burden of taxation during the period.

49. In the letter from Roger Williams to the town clerk of Providence, already mentioned (note 32) he says that taxation

in Rhode Island is far lighter than in any other colony. He also mentions that the charter cost about £1,000, while that of Connecticut cost £6,000. The latter is a plea for the more prompt payment of rates.

50. R. I. Col. Recs. II, 506.

51. Ibid III, 18.

52. Ibid III, 162.

53. That these loans or contributions were often only for a few pence is expressive of the poverty of the treasury. The occasional reports entered in the colony account book give us some idea of the financial transactions of the colony at this time. The amount entered as due the colony from May, 1672, to May, 1673, was £33, all from fines (£8 from jurors fines), of which £23 12s. had been received. In August, 1673, there was reported due £64 14s. 4d. for rates and fines unpaid between 1664 and 1670. The amount expended from May, 1672, to August, 1673, was £21 6s. 5d. for jury dinners, provisions for the general court (wine and brandy) for transportation of public officers, for books for the treasurer, for capturing a prisoner, for support of prisoners, for hunting prisoners, for messengers to and from Plymouth. The audit committee in August, report £137 6s. due from the colony. The receipts entered from October, 1673, to May, 1675, are £125 9s. 10d. of which £95 is

specified as coming from fines, and £5 12s. from rates (the
parishing in the pound rate of 1673), the remainder not being
specified. This may not be the amount actually received, but
rather what was known to be due the treasury, for no more it
appeared as expended between May, 1672, and April, 1677, was
£101 2s. 6d., the most important items being as before jury din-
ners. (£7 1s. 8d.) criminal matters (£11 16s. 6d.), carriage
of public officers (£2 11s.) general sergeant (£23 1s. 0.)
general recorder (£17 11s.) The committee to audit the ac-
counts of Peleg Sanford whose term of office as treasurer was
from May, 1678 to May, 1681, reported payments amounting to
£592 1s. 9d., largely for surveys made in the Narragansett
country, expenses in connection with the boundary line, and
other expenses similar to those previously mentioned. In the
greater part of the payments, however, only the name of the person
paid and not the purpose is given. Some of these payments may
have been on account of expenses in connection with the war.
Fines form a
principal element of the receipts, but the principal item is
£299 13s. 2d. from the taxes of 1678 and 1680. The expendi-
tures entered a between September, 1681, and September, 1686,
amounts to only £52 0s. 11d. largely for jury dinners and
payments to the sergeant and recorder. The audit of the ac-
counts of the treasurer under Amos shows nominal receipts of

£115 6s. 3d. From taxes, and expenditures of £132 7s. 1d, the principal items being the court fines and the bounty on wolves, the purposes for which the taxes were laid, and payment of the sheriff. (£18 4s.).

54. One of the complaints made against the colony by Bellefont in 1699 was, "They raise and levy taxes and assessments upon the people, there being no express authority in the charter for so doing." (R.I. Col. Rec. III, 356). Article IV, Sec. 10, of the present constitution provides that "The general assembly shall continue to exercise the powers they have heretofore exercised, unless prohibited in this constitution," but makes no more definite grant of the right to tax. It would seem that this right has never been specifically granted to the assembly.

55. The separation took place in 1696, Arnold I, 535.

56. During the early years of the colony there were several outlying districts (Block Island Conanicut, and certain districts which afterwards became Kingstown and Greenwich) not yet incorporated into towns. For these places assessors were generally appointed by the general assembly, collection was by the general sergeant. By 1676, however, these places had all attained to the dignity of towns.

57. R.I. Col. Recs. I, 506: If any person refused to assist

an officer in gathering rates he was to be fined ten shillings.
 30. R.I. Col. Recs. I, 1227: Those in towns that did not
 pay their tax within forty days were to be liable "in general,
 and each man in particular x x to the penalty of the por-
 te of ten pounds," imposed by the court of common pleas
 upon the town for failure to pay its quota. Both of these pro-
 visions are also to be found in the act ordering that the magazines be
 supplied in 1660. (Ibid 1223)

31. In the act ordering the erection of prisons in 1665, the
 assembly chose three men to make the rate in each town except
 Newport, for which four were chosen. Each town was empowered to
 add to the number, or to substitute others for those chosen.
 These same men were to have the charge of building the prisons.
 (R.I. Col. Recs. I, 311). The several acts in regard to the
 rates of 1662 and 1664, do not prescribe the machinery of as-
 sessment and collection except where extraordinary measures
 are adopted as a result of non-payment. In other cases it is
 simply ordered that the inhabitants of the towns meet and as-
 sess the rate. It does not seem probable that a full town
 meeting would undertake to apportion a rate. It is more like-
 ly a committee of laymen would be appointed for the purpose.
 The law of 1665, providing for the military assessment ordered
 the appointment of men to make the rate. An act of October,

1670, directs each town to choose a convenient number of persons to make the rate ordered the June before. After 1678, the records of Providence show that the election of assessors is customary. They were elected for each tax. It was not till well into the next century that assessors became regular town officers.

60. It is probable that in the earlier years each individual was his own collector, the constable being sent for the rate only on failure to pay. Before long, however, the constable must have become practically the collector. A law of June, 1684, provides that all future rates shall be gathered by the town constables who were to be allowed two shillings on the pound for their services, and to forfeit double their fees in case of neglect (R.I. Col. Recs. III, 162)

61. R.I. Col. Recs. II, 510.

62. Taxation according to "strength and estate," as it usually reads, is the almost unvarying form in which these early colonists expressed their idea of equality in taxation. It would be difficult to find a better expression.

63. Payment however not to be made in what may be kept in a store house three months without damage.

64. This is explained as follows, "or that is according to term upon the hundred a year forbearance". This and a like

reference thereon in the text would seem to show that it was ten per cent interest which was to be charged on moneys not paid when due and that the usual rate of interest was five per cent.

65. The only case before the time of Andros Act the farthing in the pound tax levied at the time of the passage of the law.

Very little seems to have been received from this tax. The following provision of the law may afford some explanation.

"All rates to be paid in country pay, according to price of wooll twelve pence a pound; and to vallue their estates according, as it would be worth to pay a debt in old England."

"It was added by way of explanation at the next session, "every penny of English money to be the value of four pence here." From other laws &c., it appears that the English pound sterling was only a little more than twice as valuable as the pound of "country pay" so that a valuation at the rate of four to one would be an undervaluation. And again, wool was usually received in payment at six or seven pence a pound so that payment at the rate of wool twelve pence a pound would be payment in a depreciated currency.

66. It should be noted however that the magistrates were also members of the councils of the towns in which they lived.

67. It was a common thing to make the rate makers, whether

appointed by the town or the assembly, responsible for the rate in case it was not made. The same in case for the constables and sergeants in case it was not collected. The reasons for the non-payment of taxes seem to have been political rather than economic. All through this period, particularly in the early part, the central government, as we have said, was weak and the colony was torn by dissensions. There does not seem to have been entire harmony between the main land and the island, and it was the main land towns and outlying districts that the greatest difficulty was found in collecting taxes. Warwick protested strongly against paying her portion of the £600 tax to pay Clarke in 1664, (R.I. Col. Recs. II, 78) claiming that most of the time Clarke had been merely the agent of the island. If the tax must be levied, she prayed that it might be levied on the Indians who had intruded on their lands and stolen their goods, or by "just fines and assessments, layd upon such in the Collony as have not only bene about, but also have betrayed the Collony." This tax was not collected in Warwick for six or seven years. There were also internal dissensions in the towns to solve, particularly in Providence where the opposing parties seem to have been of nearly equal strength. In 1661, the inhabitants of Pawtuxet, an outlying district of Providence, submitted to

Massachusetts jurisdiction had not permanently extended to Rhode Island until 1688, (Arnold I, 111). Until 1703 the conflicting claims in Narragansett country continued to interfere seriously with the exercise of jurisdiction in that country, sometime rendering it altogether impossible. Another cause which rendered collection difficult was the custom of offsetting debts due from the colony against rates. One of the provisions enacted at the same time with the sedition act was "neither shall any persons plea that the Collony is in debt, be of any force or offset to his or their said rate on that pretence, untill the same be answered for which the rate is or shall be made." Similar acts were passed on many other occasions. Nevertheless offsetting rates against debts was customary and the practice is authorized by a general law of 1684. (R.I. Col. Recs. III, 165)

68. R.I. Col. Recs. II, 438: The act speaks of "a covetous or affectious and malicious spiritt appearing in many townes and places of this Collony; who oppose all or any rates, and thereby prevaillinge, by their deluded arguments in overpowering the more prudent and loyall partys in each towe and place, to the frustration of the most necessary and needfull ends for which such rates are levied."

69. Arnold I, 356.

70. It does not seem quite clear whether this provision means merely that each town should be represented, or that each town should have its full representation. Arnold (I, 366) thinks the latter. When the tax of 1673 was levied no deputies are recorded as being present from New Shoreham (Block Island) or Westerly. The great distance in the one case and the interference of Connecticut in the other, rendered attendance from those towns very uncertain and may have caused their absence to be necessarily disregarded. Only five deputies from Newport and one from Warwick however are reported as "engaged." This would make it seem doubtful if a complete representation was actually required. An act of April, 1678, R.I. Col. Recs. III, 6.) repealed this act of 1672, and provided that the general assembly should consist (as provided in the charter) of the governor or deputy governor with six assistants, "and soe many of the freemen as shall be elected in each respective towne, x x x or the major part of them then present," who should have to make laws and levy taxes, provided however that no tax should be levied without notice given to each town, that the "townes shal accordingly by their representatives give their due attendance." A year later the restriction was removed and the assembly resumed its old powers. (R.I. Col. Recs. III, 53).

71. Arnold II, 502: Under the Andros government (in the case

of the per centage taxes and the £ 120 tax ordered in December, 1688) returns seems to have been made to the system of assessment by town councils. A copy of a warrant, dated July 20, 1687, from John Usher, treasurer and receiver general of his majesty's revenue in New England, to the constable and selectmen of Providence is preserved among the papers of the historical society. The constable is ordered to call a town meeting for the choice of a "commissioner" who, with the selectmen, is to make a list of all males over sixteen and "a true estimation of all real & personall Estates," as provided in the act of Andros and council, and then to assess a poll tax of 1s. 8d. (members of his majesty's council exempt) and a property tax of a penny in the pound. The commissioner was then to meet with the commissioners of the other towns of the county (Rhode Island), when as a body they were to "examine x x & correct & perfect" the rate lists according to the true meaning of the act and transmit the result to Usher, together with the names of the constables in each town to whom warrants for collection were to be issued. I have not been able to find the act of Andros and his council here referred to, but it seems to have included the provisions contained in the warrant and also a table of values at which the different kinds of property were to be estimated. It is in these taxes levied by Andros that we first meet with

the poll tax which was soon to become a part of the regular system of taxation adopted by the colony.

72. These proceedings are to be found in the town records Vol. 111, p. 13 - 15. A table of values such as that given in the text was not always adopted when a rate was to be levied, but the rate of assessment seems often to have been left to the discretion of the assessors. In the case of the £ 160 rate of 1684 a committee was appointed to "Consider what lands may be deemed Rateable." The committee report "That all Meadows & Orchards & all other improved lands what so Ever it is yt is inclosed, is Rateable, and as for Cattell, That all Sorts of Cattell upward of a yeare old are Rateable," but no table of values is reported. The number of assessors varied from three to five. They were prominent men of the community and there was a tendency to reelect the same individuals for the service. In a list of twenty-two assessors appointed between 1678 and 1687 there are only eleven different individuals.

73. The following is the account of the rateable estate of Daniel Abbott, like Whipple a prominent citizen. "My house & Land at home, & yt in ye neck that seem to be fenced, and ye 3d part of a share of meadow in my Custody wth ye demolished orchard of Tho. walling. 2 Cows, one of them farrow, a of 3 yearns & vantage steers one horse, & one Mair 5 poor swine and

as of household things, or may be allowed to view ^{them} gorses, we have but one poor bed of or some Saith Daniell Abbott "Memorandum and a yoke of oxen yet" An entry on the back of this list shows that about 280 1/2 acres of land had been laid out to Abbott, more than the usual amount it would appear. Much of it was probably wild land. An entry in the colonial records (II, 415), in 1671, shows us also the character of property at the time. The inhabitants of Westerly petitioned the assembly to send thither persons to take an "inventory of their personal estate." The assembly accordingly delegated certain persons to "take an exact inventory of the personal estate of each inhabitant, consisting either of house, household staff, goods, cattle, horse kinde, or any other chattels whatever."

74. "The first grand period of Rhode Island history, the formation period, was ended. The era of domestic strife and outward conflict for existence, of change and interruption, of doubt and gloom, anxiety and distress, had almost passed. The problem of self-government was solved, and a new era of independent action commenced". (Arnold I, 519)

75. The exemption was granted in 1690 (R.I. Col. Recs. III, 274). It would seem to be uncertain how long it lasted as in 1707 (Ib. IV, 24) a law is passed exempting the "Governor x x x; his dwelling house" and its conveniences from taxation being

his term of office. The other legislation during the period in regard to the payment of public officers was as follows. In 1698, the governor's salary was increased to £ 30 and, in 1701, to £ 40. In addition the assembly in many years voted him a gratuity, amounting sometimes to as much as his salary. In 1695 deputies were allowed, apparently out of the general treasury, 3s. a day, with a double fine for non-attendance. In 1698 the towns were ordered to pay the deputies, but in 1703 it was again ordered that they be paid out of the colony treasury. On account of the increasing revenue the treasurer's fees were reduced to one shilling in the pound in 1698, and to six pence in 1705. Before 1702, the agents were inhabitants of the colony, sent over to England by the assembly. In that year Penn, then in England, was intrusted with the interests of the colony. He employed for the purpose a solicitor, William Wharton, at £ 40 a year. In March, 1708 - 9, the assembly granted Wharton £ 30 a year additional for past services, to cover expenses, and appointed him agent for the future with £ 60 a year salary.

70. It seems to have been intended to send the money to aid other colonies. In July, 1695, the rate was to a great extent uncollected, however, and none of it seems to have been applied to the purpose intended. With the exception of the May and

June sessions of 1691, and at last, 1692, no records of the Assembly are known to exist. For the period October, 1690, to July, 1695.

77. During this period however the colony seems to have run into debt, which was defrayed out of future taxes.

78. The loose way in which the treasury accounts were kept does not permit us to show exactly how much of the revenue went for each of these objects. It is possible to make an estimate of some value, however. After the Governor's salary had been increased to £ 40, and including the special grants frequently made to him, the payments made to the legislative and executive officers amounted, probably, to about £ 150 a year. The payments made to agents for the period 1695 - 1710, were probably not far from £ 1,000. The whole cost of the civil government, including the support of the agent, seems on the average not to have exceeded £ 500 a year. It was probably under rather than over that amount. The remainder were military expenditures, the most important being on account of the expeditions of 1709 and 1710.

79. This census is included in a report, containing quite a full account of the condition of the colony, sent by Governor Cranston to the Board of Trade in reply to their inquiries (H.I. Col. Recs. IV, 56). It probably cannot be depended on

for accuracy, and would seem to be rather an under estimate. Some years before the militia, which is here given at 1362, had been estimated at 2,000. This however was doubtless too high. 80. This law had principally to do with the administrative side of taxation. It was doubtless established by custom that all property was taxable. The tax law as it stands on the statute book today is hardly more than administrative; as in 1703, everything is supposed to be taxable, except what is specially exempted.

81. A committee was appointed to draw up a law for valuing lands and cattle, and if upon examination it was found that any town had been overrated a rebate was to be allowed to it out of the next tax. The committee reported the present law sufficient, and the only additional legislation at this time was a grant to the magistrates to "regulate anything appearing defective" in the law, and the provision that the treasurer of each town should be regarded as the deputy of the general treasurer.

82. R. I. Col. Recs. III, 300. The magistrates were ordered to call town meetings "with all expedition for advice of the "three men" It was further ordered "that there be a Commissioner chosen in each town, to meet with the men. It shall be chosen in each town, to assess the said rate of two pence per

pound, and to adjust the proportion, and sign with each Committee, and return the same to the General Treasurer." It will be remembered that there was a tax of four with a similar title at the time of the Anarcs government (note 71). His duties were different from those of the present commissioner. In fact it is difficult to see how they differed from the other three men referred to. The number of assessors does not seem to have been definite. In the case of the penny in the pound tax of 1695, the towns were to choose "two or three" men and the following year they were to choose as many as they should see fit. In the case of both taxes in 1695, tables were adopted stating the amount of tax to be collected on certain kinds of personal estate, not the valuation of the estate as in the table given on page 12. The following is the table adopted for the penny in the pound tax:

Oxen, four years old and upwards, at three pence per head	00 00 30
Stears, three years old, and all cows at two pence per head	00 00 20
All two year old, a penny per head	00 00 10
All three year old, at half penny per head	00 00 01
All sheep at one year's old and upward, at five pence per score	00 00 50

All swine above a year old at a half penny	
per head	00 00 01
All horses and mares above three years old,	
at three pence per head	00 00 30
All two years old horses and mares, at one	
penny per head	00 00 10
All year olds, at a half penny per head	00 00 01
All negro men servants, per head	00 01 80
Negro women servants, per head	00 00 100

It is evident that the property in the above table is taxed on its value and not on the yearly profit and, in want of further information, it would be unsafe to infer that the provision for taxing lands, houses, and tradesmen according to profit was intended to introduce anything in the nature of an income tax. What evidence we have tends to show that the tax was assessed not on profits, but on the value of the property, in determining which value the yearly profit was probably the most important consideration.

83. The best account of the commerce of the colony is to be found in the report to the Board of Trade in 1708, already referred to. (note 74) The land on the island had been well taken up by this time and the younger generation in that part of the colony was undertaking itself, in the words of the report,

"to trades and callings," especially to navigation for which their situation so well fitted them. Twenty-nine vessels were now owned in the colony in place of the four or five of twenty years before, and all but two or three were owned in Newport. Ship building also became an important trade, no less than eighty-four vessels having been built in the colony from 1696 to 1708. Direct foreign trade existed with the Bermudas, the West Indies, Madeira, Fuzal and Suracoa, the colony sending out lumber, beef, pork, dairy products, horses, cows, onions, cider, rum, and, sometimes money, and receiving in return sugar, molasses, cotton, ginger, indigo, pimento, rum, English goods, Spanish iron, brasalleta, wines, salt and cocoa. Some of these articles, together with the products of the colony, were taken to all the coast colonies to the South who gave in return, rice, pitch, tar, turpentine, valuable woods, skins, flax, pork, grain, and rigging. With England the colony had no direct trade but received most of its English goods through Boston, paying for them in dairy products and money. It was estimated that £20,000 in cash was annually sent to Boston on this account. It is evident that the colony had entered upon a new phase in its economic development.

84. The records of Providence do not show that the provision was complied with.

85. The poll tax ~~as we have seen~~ was introduced under Amerson, but does not seem to have been assessed since his Bill. It must be remembered that the present act was not a general law (see p. 32). How the law of October, 1699, (note 84) may have affected this question we do not know. The law of January, 1703 - 4, is chiefly administrative and makes no mention of a poll tax, and it would hardly seem to fall under the law of May, 1704. (Note 90). It seems probable on the whole that the poll tax was not as a rule assessed. The wording of the law in 1707, exempting the governor from taxation might seem to imply that a poll tax was assessed (see note 75)

86. Indians had been exempted as early as 1672. (R. I. Col. Recs. II, 456)

87. For this law see R. I. Col. Recs. III, 343, et seq. If those appointed to take account of estates neglected the work they were to be fined twenty shillings.

88. The most important of the modifying laws seems to have been passed in October, 1699. It is referred to as the model law in subsequent acts assessing taxes before January, 1703 - 4. This law is unfortunately not preserved in the records, but references go to show that it did not essentially modify the administrative features of the law of the previous year. By act of August, 1702, any assistant or juror neglecting his

20
also under the act was made subject to a fine of £20.

89. For this law see R. I. Col. Recs. III, 494, et seq. The likeness to the present law is seen still more fully in some of the details of administration which have not been changed since that time. Later some of the towns seem to have been divided into districts and constables assigned to, and held responsible for, each district. The fine imposed on an assessor for neglect of duty was 40s.

90. R. I. Col. Recs. III, 501. The oath was as follows: "You A.E., do, on your solemn engagement, hereby declare the accounts and list as you present of your estate, is the whole and true account of all your rateable estate, as to your knowledge you know of (or is in your care and custody), and this you declare to be the truth, and nothing but the truth, upon the perill of the penalty of perjury". The same act declares that what is rateable estate shall be known by the act of 1686. That act contains on the subject only what is given in the previous pages. I have unfortunately found no return of estates by individuals for this period, but there is no reason to suppose it different from that it was before or after; that is, it included everything with the possible exception of churches and necessary household furniture.

91. There were some three or four such returns made in all

and severe penalties were sometimes adopted for neglect. Complaints against the appointment of assessors do not seem to have been frequent, though there are one or two instances of dissent on record.

92. As earlier, the difficulty was political rather than economic. There seems to have been in the colony at this time a party, how strong it would be difficult to say, in sympathy with the efforts to curtail the charter privileges. There were also disputes between the towns as to boundaries, while the colony dispute with Connecticut was not settled until 1703. In 1700 the sheriff while attempting to collect a tax in Westbury was carried off to Connecticut. It is worthy of note in connection with this difficulty of collection that the severity of the penalty seems to have had little influence. The assessors or collectors were not infrequently made responsible for the whole tax in case of neglect, but taxes were not promptly collected until government had become firmly established and could rely on the united support of the people. When it was strong enough to enforce the penalties, the necessity had passed away. In the copy of the laws sent to Elliot in 1699, the redemption act (see page 46) seems to have been included, though repealed nearly thirty years before. The act was again repealed in March, 1701.

Section

99. The list of the constables who were collected for a full year have seen was in 1684, and allowed two shillings of the tax. As long as this lasted collectors' fees alone cut up ten per cent of the tax, but by the law of January, 1703, ^{1/2} the fees were reduced to one shilling. Assessors were paid by the day, the amount varying from two to five shillings. The act just referred to placed it at two shillings and six pence, and a law of 1705 provided that no rate maker should charge for more than three days. The most full and detailed statement of loss on the articles in which taxes were paid, is in the accounts of the treasurer under Andros. It was as follows: Loss by 935 bushels of corn and rye £20 - 0 - 10, by 9 ferkins of butter £1 - 12 - 1. Twelve bushels of corn had been sold and delivered but no payment had been made. In addition there were the following expenses and losses: Freight £5 - 3 - 4, warehouse room for 1300 lbs. of wool £1, turning corn ten or twelve times 18s., "275 lbs. of wool taken out of my house £9 3 - 4." "Money taken out of Major Goulding's house £52 - 10 - 0." As the total receipts did not exceed £230 it will be seen that expenses and losses cut up a good part of the revenue. They were in this case probably far larger than usual. But they must always have been considerable in amount, as there was no satisfactory money circulating in quantities sufficient for

the needs of the community.

94. R. I. Col. Recs. III, 397, et seq. The proceeds of the tax were to be for the poor, highways and bridges. It was indeed a town and not a colony tax.

95. R. I. Col. Recs. III, 421, et seq.

96. R. I. Col. Recs. III, 458.

97. The amount received as stated in the report on the treasurer's accounts in 1711, was £3,032 - 19 - 2. The amount outstanding on bonds given for land was £1,525 - 17 - 5. Arnold (Vol. II, p.37, Note) says that the report of a committee, subsequently made, shows that £3,795 - 15s.- 10d. was received at the rate of about 1s. 6d. per acre.

98. In 1709, four ferries were leased for seven years at an annual rental of £4. This is the last record that I find of any payment made to the general treasury. "Leases" were afterwards spoken of, but these seem to refer simply to grants of the right of ferryage, bonds being required for the observance of the law in regard to ferries. In 1748, the colony purchased two of the ferries but does not seem to have been successful in its enterprise and sold them again in 1750.

99. In 1867, Mr. E. H. Potter published a pamphlet entitled "A brief Account of the History of the Government of the Colony of Rhode Island". It has been reprinted with additions in the

22

"Historical Sketches of American Paper Currency" (Providence, R.I.) by H. Phillips. This little work contains about all the facts which are accessible, including the reports made to the General Assembly, and such that relates to Massachusetts and Continental money. In 1880, it was recast and enlarged by Mr. Sidney B. Rider, and published as number eight of the Rhode Island Historical Tracts. Mr. Rider has added an almost complete list of the fac similes of the various issues, but has omitted a number of other portions which are of more value to the economic student.

100. Provision was made for sinking these bills by an annual tax of £1,000 (R.I. Col. Recs. IV, pp. 100, 106, 150). The law however does not seem to have been vigorously enforced and in some instances the taxes collected were diverted to other purposes than that intended. Five payments of this annual tax are entered on the credit side of the treasurer's accounts, the last being in 1715. In that year the first bank was issued and the sinking annually of £1,000 of the earlier bills was one of the purposes to which the interest was to be applied. The provision was not carried out. No further taxes for the purpose seem to have been collected. From the number of keeping accounts at that time, it is not quite clear whether these taxes entered as received in the treasurer's books had been actually received in full. Up to 1715, only £1,102 - 8s. 6d.

1710-1711

4. The Act. As regards the legal tender character of the bills, there seems to be some uncertainty. The bills of the first issue of £5,000 emitted in 1710, read "This indented bill of x x shall be equal in value to money, and shall be accordingly accepted by the general treasurer and receivers subordinate to him, in all public payments". The law as printed in the colony records (Vol. IV, p. 96) makes no further reference to the subject of tender, but, as printed in the Digest of 1744, (p. 43) enacts that the bills "shall be received and paid for the same value and equal to the current Coin passed in this Colony, for Goods or any other thing bought or sold in all Payments to be made whatsoever; (Specialties only excepted)". In the other issues of 1710 and 1711, it is provided in some cases that the bills shall pass in "all Payments", in other cases that they shall pass in "all public Payments" as the bills of the first issue do. The bills of the bank emitted in 1715, were declared to be of the same tenor as those of former issues, but in the same year there was passed an act "making public bills of credit of this colony, to be lawful pay, on tendering the same for all bonds and specialties." This caused so much opposition that in the following year it was repealed and the act declared to extend "to no other bonds and specialties than that mention current passable bills of credit of this colony, or of any of

the governments of New England;" (R.I. Col. Recs. IV, 210)

The other bills emitted up to 1740, were "of the same tenor" as those previously issued. The act emitting the bank of 1740, declares the bills equal to silver at 6s. 9d. per ounce and that it "shall be accordingly accepted by the Treasurer, and the Receiver thereof, in all Payments." (Dig. 1744, p. 256).

In the following year 6s. 9d. of this "new tenor" was declared equal to 27s. of the previous issues or "old tenor", and a sufficient tender for the same in all payments. Courts of Justice were to govern themselves accordingly. (Dig. 1744, p. 257).

Subsequent issues until 1750, were in accordance with these acts. The most severe of the laws to enforce circulation was passed in connection with the issue of March, 1750. (Digest 1752, pp. 86, 99). The act recites that the depreciation of the bills of credit is due to "illegal Practices" in "offering from time to time, for Gold and Silver, and bills of exchange, for Sterling Money," largess than was stated in the acts of emission. The new bills were declared equal to silver at 6s. 9d. per ounce - to loc. "new tenor" and to 64s. "old tenor". Any person who should receive or pay bills of credit at any higher rate for gold, silver, or bills of exchange, was to be fined £50 in the new bills. In case of bills for money due (specialties excepted) the same was to be

judgments in accordance with the above v. l. s. Clerks of courts were forbidden to issue execution or process on any judgment in favor of any person until such person should take oath that he had not violated the above law. No person could enter a public office without taking the same oath. Foreigners coming into the colony to trade were required to take the same oath under penalty of £50. In August, 1751, (Acts and Laws of Rhode Island 1745 - 1752, p. 104), probably in accordance with the act of Parliament already referred to, it was provided that in all debts which should come due, for every sixty-four shillings appearing to be due in old tenor, sixteen shillings in new tenor, and six, shillings and nine pence in the present bills, the debtor should pay as much in any of the afore-mentioned bills as should at the time be worth one ounce of silver sterling.

101. The expenditure for the year ending June, 1718, was £818 - 3s. - 3 1/4d. The more important items were as follows:

Public buildings (court house and jail)	£206 - 0 - 0
Salaries (including £20 for pinner)	180 - 0 - 0
Bounties on wolves	62 - 10 - 0
Cost of revenue (treasurers' fees)	54 - 8 - 4
Agent	66 - 12 - 4
Weybosset bridge	50 - 0 - 0

the items however very variable from year to year. The payment for the wolf bounty is in this year unusually large. In several years the cost of printing and issuing the paper money is considerable. In the year 1715, the expenditure for that purpose was about £300. The growth of the colony necessitated the erection of colony court houses and jails. Before 1729, however, there were only two counties, the number being increased to three in that year, and the buildings required were of a very primitive kind costing as a rule considerably less than £1,000. The Fort was a considerable item of expense; it was rebuilt so as to be able to mount sixty guns though not much more than half that number seem to have been supplied. Previous to 1739, £8,000 in bills were issued to meet the expenses of the Fort, and, in the case of several of the banks, the Fort is mentioned as one of the purposes to which the interest is to be devoted. In 1739, the assembly ordered the erection of a brick colony house at Newport, which from the treasurer's accounts appears to have cost over £20,000. The agent remained a considerable source of expense. Among the papers in the state house at Providence is preserved the itemized account between the colony and its agent for the period 1715 - 1740. The amount transmitted to the agent during that period was £4,562 - 15 - 10 sterling and there was a balance

of £138 - 15 - 8. The agent's salary was only £10 per annum. The principal expense was incurred in connection with the "molasses act" which passed parliament in 1703, and in connection with the boundary dispute with Montserrat. The agent also made some purchases of military stores for the colony. Some of the agent's charges throw an interesting light on the character of political methods in England at this time. "To money given Lord Presidents and other Noblemen's Servts. when I waited on them Sixary times about the committee's report x x 6 - 1 - 6." Another charge is for a fee given at the Board of Trade "on the Report for Stores, being in our favor 21 - 0 - 0". In 1730, also the colony sent a special agent to England at an expense of over £800 in paper money. As regards salaries, I have found no legislation in regard to that of the governor subsequent to what has been already mentioned. (see p. 10). The treasury reports show that after 1711, it was customary to grant £100 a year. He also received gratuities from time to time, in some instances as large as his salary. In 1729, he received £200 in recompense for all services and in 1731, £300. The Colonial Records show that five grants were made in 1732, 1736, 1737, 1738, and 1739. Douglas (in his Summary) writing about 1750, says that the governor's salary was then £300, and that with perquisites it did not exceed

£1,000. The only explanation of "perpetuities" which I have found is by an act of October, 1732, (Digest 1734, p. 10) by which the Governor is allowed 5s. for each commission issued, and for taxing Bills of cost 2s. 6d. He also seems to have enjoyed a share in prizes. About 1715, it became customary to grant the deputy governor £20 for his year's service. In 1722, his salary was fixed at £30. Like the governor he was frequently granted a gratuity, sometimes as large in amount as his salary. In 1736, and 1744, he is allowed £50 and Douglas states his salary as the same as that of the governor. A law of 1721, granted the assistant a salary of £10 and the deputies 6s. a day, the latter to be paid by the towns. By an act of 1746/7 this law was repealed and these officers remained without pay. By law of 1739, the treasurer was given a fixed salary of £100 which was doubled two years later. Gratuities were sometimes granted for the labor entailed by paper money. He was required to give bonds in £20,000. No other officers received a stated salary. The payments made to them out of the treasury were sometimes comparatively large, those made to the secretary in some instances - in from £100 to £200.

102. The population at the periods noted was as follows, 1750, 17,935; 1745, 32,773; 1735, 40,414; 1724, 50,707.

According to the report made by the Governor to the Board of Trade in 1740/1 over one hundred and twenty vessels were owned by inhabitants of the colony, "all constantly employed in trade, some on the coast of Africa, others in the neighboring colonies, many in the West Indies, and a few in Europe." Accompanying this economic development we find a rapid progress in wealth as shown in the great increase of comforts and the introduction of luxuries, and a greater diversification of industries. Many persons in the middle of the century left personal estates of from £1,000 to £2,000 in value aside from all real estate. An excellent and detailed account of this development may be found in Dorr's *Planting and Growth of Providence*. R. I. Hist. Tracts, No.15.

(103.) These bills were termed "new tenor" in distinction from (104.)

the former issues or "old tenor." One shilling of new tenor was declared equal to four shillings old tenor. Acts and Laws

(104)

1744, pp. 226, 230. At the time of this issue an ounce of silver was declared equal to 6s. 9d. of the new bills, to 10s. new tenor and 64s. old tenor. Acts and Laws 1745 - 1752, p. 99.

105. In the case of sunk IX mortgage it was to be paid in five annual installments, interest to be paid until the last installment (Ibid 86). To what extent the interest from the bonds was

was the only source of revenue can be seen from the following table. The first column states, for the period given, the average annual amounts received from interest on loans owned by the treasury books, and the second column the total receipts for the same periods, exclusive of money issued to the treasurer to exchange torn bills. The amounts are all given in old tenor value.

1716 - 1728 -	£ 1,999	£ 2,118
1729 - 1731 -	3,984	4,082
1732 - 1733	6,817	6,853
1734	12,000	12,108
1735 - 1738	10,000	10,249
1739 - 1741	15,000	15,004
1742 - 1743	13,200	(1753)
1744	8,200	Direct issues of money and re-
1745 - 1748	14,600	ceipts from taxes, loans, &c.
1749 - 1751	9,600	render interest money a compar-
1752 - 1754	18,251	tively unimportant source of
1755 - 1762	11,891	revenue after 1739.
1763	9,841	
1764	7,111	
1765	3,711	

The above sums do not incl. ac £4,000 emitted in 1770 for the

on the fort. Portions of the bills emitted to meet the war bills seem to have been turned from that purpose to ordinary expenses. In June, 1736, £11,634 were emitted to purchase £5 and 40s. notes, but only £50,353 seem to have been applied to that purpose. (See report of 1739, given in Governor's history) This seems to be the only important instance.

106. These figures are taken from a report made by Governor Ward to the Board of Trade (K.I. Col. Recs. IV, 8). It is stated in the same report that the then value of paper money in silver was 27s. per ounce. The value of sterling silver is reckoned at 5s. 6d. per ounce. On this basis the sterling value of the £340,000 would be £77,777, instead of £81,074. If we estimate the population at 25,000 this would give a nominal per capita debt of £13 12s. or in sterling £3 2s. or £3 6s., according to the estimate which we adopt, and the amount in either case. Redemption, it must be remembered however, was to be accomplished not by taxation but by repayment of loans on the part of the citizens. There is reason to believe the actual amount outstanding exceeded £40,000. We must also add about £12,000 (nominal) of bills not loaned but issued directly from the treasury and redeemable only by taxation. (See text and succeeding notes)

107. The first bank expired in 1733 and repayment of its loans

real installments to be made. In 1732, £1,000 was
 due on the second installment, and it was accounted for (R.I. Col. Recs. IV, 476). In some instances persons
 had neglected altogether to give tenth bonds, as they
 were called. In 1741, there were five hundred and forty-five
 suits on bonds and mortgages in six towns in Providence County.
 In 1742, one thousand and forty more suits were instituted.
 The aggregate amount of the latter being only £3,880, which
 would show that the bonds were taken up in small quantities.
 (Rider's edition of Potter, p. 56). An examination of the
 accounts of the grand committee which had charge of these
 banks shows approximately the amounts (old tenor value) out-
 standing at the dates given. The second column shows the
 amounts legally outstanding:

August, 1749 -	£ 459,000	£ 420,000
March, 1750/1	426,000	340,000
February, 1753	398,000	302,000
August, 1759	315,000	180,000
August, 1762	129,000	48,000

In these statements bank IX which amounted to £237,000 of
 tenor is not included. All the loans were paid in
 1767, but a report of May, 1770, shows that £21,000 of
 it was still outstanding. The principal of bank X was

the exact amount of gold and silver in circulation, the amount of loans outstanding. But in 1770 and 1775, the records of £38,144 old tenor burnt.

108. There are several points not clear in this report. In the first place it does not agree with the report of 1739, which, from a comparison with the yearly treasury reports, I believe is correct. The present report states the amount of bills issued to supply the treasury before 1739, at £100,300, and the amount burnt before that time at £81,329. In the second place it states the amount of the bills to supply the treasury, issued between 1739 and 1749, as £206,000 (old tenor value) whereas the records and treasury reports show £119,000. If we adopt the report of 1739, to that date, and rely upon the records and treasury reports after that period we have the following result. Bills issued to supply the treasury previous to 1739

£ 386,611 old tenor value

Burnt during same period 194,329

Outstanding January, 1749/50 142,182

of which there were in the treasury 24,191

In circulation 117,991 or eq. of population of Britain.

Working Value at 11 to 1 19,693 per eq. of population of Britain.

The bills left to be paid at the time of the Revolution were actually outstanding probably from £150,000 - £410,000 of bank money, of sterling value of about £40,000. In 1745 these amounts we should have reckoned per capita at of £16 per sterling £1 10s. 7d. Bowles in his Summary (p.) estimates the outstanding bills (old tender value) of the colonies in 1745, as follows:

Massachusetts	£ 2,406,612
Connecticut	281,000
Rhode Island	550,000
New Hampshire	450,000

A committee petitioning the King against further issues in September, 1750, places the amount outstanding at £530,005 (R.I. Col. Recs. V, 312)

102. In addition to the taxes specifically levied for continental purposes the state before June, 1779, was liable to the U. S. out of state taxes £30,000 in accordance with the requisition of congress made in November, 1777. The £30,000 tax in May, 1781, was to redeem one sixth of the new continental money issued by the state. £1,640 of the tax of June, 1783, was appropriated to pay interest on the United States debt. Of the tax of June, 1784, one fourth was to be paid on the United States interest certificates, and £12,147 - 6 - 4 was appropriated

to set a requisition of some kind of the previous April. The whole of the tax of June, 1785, was appropriated to pay the interest on the national debt. But little had been to have been received, taxes probably some £100,000 of a debt. Two facts should be remembered a.d. 1785, particularly those asserted after the close of the war, were not generally paid. 2. The war expenditures of the state, if regarded as national expenditures, the accounts between the state and the central government to be settled in the future.

110. Rhode Island bore more than her share of war expenditures see p.

111. In the volume of acts and Laws published in 1730 (p. 21) appears a law providing that rates should not be applied to any other purpose than that for which they were levied. Several special enactments to this effect had been passed during the previous period.

112. Volume of Acts and Laws, 1744, p. 219. Peddlers from house to house had at first been subjected to a tax and finally forbidden altogether in 1728. A law of 1750, made it lawful for the assessors in any town, on notice from two freeholders, to enquire into the quantity of European commodities sold by peddlers, and assess them "at their discretion according to the largeness of their Trade," for the use of the town. The law

standards in the District on 1/6/67 (p.113) and that the reference to "European cases" is omitted.

113. Volume of Acts & Laws published in 1794, p. 139.

114. The three points to be noticed in this respect are: 1. the assignment of fixed and uniform values to the various kinds of kinds of personal property; 2. the evil use of the machinery of the development of intangible species of personal property; 3. the use of the tax machinery to encourage the growth of mercantile pursuits.

115. The Digest of Laws published in 1767, contains no mention of the poll tax, but, as has been said, it is almost always usual. In the case of some taxes assessed before 1767, no poll tax was mentioned, and in some cases when mentioned the amount was not specified. It is probable however that the poll tax had become an established part of the town rate. The limit of age varied in the earlier acts but was finally settled as above stated. The only exemptions were in the case of settled ministers of the gospel, except during the revolution, when the exemption was extended to officers and men in the regular army or naval service. In the tax act of February, 1760, the governors were authorized "to collect for the relief of the Poor, in their respective towns, and ex-

"from the poll tax which they pay to the State."

This provision was repealed in 1769, but the poll tax was repealed in 1768. The poll tax was repealed in the Revolutionary period. The towns were empowered to fix the poll tax at such sum as they should see fit.

116. Page 119.

117. Schedules March, 1769, p. 2.

118. Schedules June, 1762, p. 27.

119. They first appear enumerated among the regular town officers in the Digest published in 1767. As a matter of fact they seem to have come into existence some years earlier.

120. Schedules p. 79.

121. Real Estate in Rhode Island enjoy a peculiar privilege and does not seem to have been included in property, liable to action by distraint, unless by special enactment. The first law in regard to lands owned by non-inhabitants, was passed in February, 1747. (Acts & Laws 1745 - 1752, p. 47). It recites the difficulty of collecting taxes on such lands, which only to grow grass, hay, or corn, which is carried off once a year and authorized distraint on the owner or tenant. The owner or occupant, corn, hay, or grass, if it is in the county where the land lay. In September, 1757, (Acts & Laws p. 63) it was provided that if a non-inhabitant owned land

- residents of the island for an amount of £100,000. In 1767, the law providing for the collection of land taxes on the island was extended to all lands owned by non-residents, when not inhabited, and in October, 1781, (Schedule p. 16) it was extended to all lands owned by non-residents. An act of May, 1777, authorized the collector to sell the land and stone on any unimproved land, the owner whereof resided in another town and neglected to pay the tax assessed. (Schedule p. 44) After the evacuation of Rhode Island by the British there were many persons in the island towns possessed of considerable real estate but very little personal property. In some the latter was not sufficient to pay the tax on the real estate, the collectors were authorized to sell so much of the real estate as might be necessary to pay the tax. (Schedule May, 1781, Sec. 20th. p. 41.
122. Schedules June, 1756, p. 40.
123. Schedules August, 1763, p. 65. Any town collector who refused to suffer a fine of double the amount of the tax. p. 65.
124. July, 1781, p. 6.
125. See tax law in Digest of 1767.
126. Schedules October, 1769, p. 69.
127. Schedules November, 1772, p. 121.
128. Collectors who were indebted to the town for the full amount

collected with the town treasurer's receipt. (Dec. 1781). The
 the from Great Britain, and the act of 1781, which was declared
 during the war were subject to taxation. (Jan., 1782). The
 the dangers of an untried financial system, it was in the
 order for issuing collectors to pay to the several town treasurers
 taxes collected by them, in or out of the state treasury, particu-
 larly by the collectors for a sum below their true value.
 (May, 1785). To avoid careless methods of accounting, collect-
 ors were ordered, if required, to lay before the town treas-
 urer once in fourteen days a clear statement of the taxes com-
 mitted to them to collect, showing that taxes had already been
 paid. (June, 1788)

129. \$4,234,178 in our present money.

130. \$7,706,449 in our present money.

131. I have been able to find no returns under this act, nor
 any further mention of the act itself. It does not appear in
 the volumes of Acts and Laws published in 1780, and I con-
 siderably.

1. The first part of the paper is devoted to the

study of the properties of the function $f(x)$

defined on the interval $[0, 1]$ by the formula

$$f(x) = \sum_{n=0}^{\infty} \frac{x^n}{n!}.$$

It is shown that this function is continuous on the interval $[0, 1]$

and that it satisfies the differential equation

$$f'(x) = f(x).$$

It is also shown that the function $f(x)$ is bounded on the interval $[0, 1]$

and that it attains its maximum value at the point $x = 1$

and its minimum value at the point $x = 0$.

2. The second part of the paper is devoted to the

